

Rising to the Rose occasion

(Continued from Page 3)
one else has in any single athlete—in terms of how we are going to present Pete to corporations," says Michael Trager, president of Landau's international sports division.

In brief, Landau wants Pete Rose to make big money from his pursuit of Ty Cobb's 50-year-old record by embedding his image in the minds of the public and corporate America during—and for long after—the quest. In return for its efforts—which began more than a year ago for an event that is still more than a year off—Landau will get an undisclosed percentage of the revenues Mr. Rose receives for endorsing products and services.

Landau obviously expects the Phillies star to be much in demand. Industry sources say it is asking a minimum of \$250,000 for a one-year agreement by Mr. Rose to appear in national commercials, which is at least double the going rate for name athletes.

Catherine Gordon, a Landau account exec, won't confirm the number but says it was "not far" from the base figure being quoted—with the price escalating from there depending on what services are wanted from the Phillies star.

Rival agents, who may be a tiny bit envious, are both outraged and perplexed. Some say the Landau-devised blitz touting Mr. Rose is nothing less than a marketing version of "Charlie Hustle's" well-known steamrolling over any opponent who dares get in his way.

Some also say the plan is fraught with risk. They say Mr. Rose's exploits next summer will be eclipsed by the Summer Olympic Games, that there is always a chance that he won't set the record because of injury or the further ravages of time (the 42-year-old Mr. Rose has been benched a number of games this season) or that the American public just may not care that much.

"I don't think corporations are going to get involved with Pete because of this event," says one agent who asked not to be named. "I'm not sure if America is going to be on the edge of its seat waiting to see if Pete breaks the record."

"You cannot use these techniques to persuade a company," the agent continues. "There are too many people involved in a decision. You can't sprinkle salt on the clouds; it either rains or it doesn't."

There is also the matter of asking price. "No company in its right mind is going to pay that kind of money when they could get Tom Seaver for \$75,000 or Jim Palmer for \$75,000," says another agent of the \$250,000 price apparently established for Mr. Rose.

"If there is one person in baseball now that represents the biggest thing that is going to happen to the game during the next two years it's going to be Pete Rose," Mr. Trager counters. He concedes that the 1984 Summer Olympics will claim the public's attention, but he believes the effect will be short-term. "There will be a couple of weeks that summer where nobody is going to focus on anything except the Olympics. But based on the way Pete is going, we expect him to break the record after the games, in late August or September." (Through last Thursday, Mr. Rose had 3,923 hits—269 shy of the record.)

Nor does the reaction to the high price tag put on Mr. Rose bother Mr. Trager. "When Los Angeles started to market the Olympics they threw out these huge numbers," he says. "Everyone said they were out of their minds. Now they have about \$130 million in marketing commitments from major corporations who want to be associated with this three-week event."

Ms. Gordon, the Landau account

exec, adds that the agency didn't pick the numbers arbitrarily. She says Landau spent much of 1982 testing the market through contacts at "various" corporations, and that it also surveyed the general public to determine how well known Mr. Rose is.

Mr. Rose is the only athlete Landau has ever represented on a full-time basis. (It also represents Los Angeles Lakers basketball star Kareem Abdul-Jabbar, but only for deals with Japanese companies.) "This is not a chance thing," Ms. Gordon says. "The record he is approaching is something special—we do not want to get into a situation where we are representing athletes across the board."

Landau is no stranger to sports marketing, however. Mr. Trager, a former NBC-TV vp, is the man who put the ABC-United States Football League tv package together. Landau also is the marketing agency for the USFL, the 1984 Winter Olympics and the Breeders Cup horse races. Ms. Gordon spent five years handling the Harlem Globetrotters' marketing program.

The current selling of Pete Rose began in March, 1982, when his attorney, Reuben Katz, hired Landau Associates. What he wanted to do, Mr. Katz says, was construct a plan that would chart Mr. Rose's entire career from the period in which he approaches the record through his life after baseball.

Underlying the effort, Mr. Katz says, was his feeling that Mr. Rose—for all his baseball accomplishments—has not been marketed properly. He also points out that the people behind the Atlanta Braves' Henry Aaron had no detailed marketing plan for Mr. Aaron as he pursued Babe Ruth's lifetime home run record and that they now probably regret that fact.

It wasn't the missed opportunities that bothered Mr. Katz as much as the piecemeal approach,

for it had left Mr. Rose devoid of an image that the corporate community could focus upon. Part of the problem was Mr. Rose himself; he is an extremely outgoing and friendly person who may be, if anything, too accessible.

"Over the years if anyone had come up to Pete and said 'Pete, I have a deal for you' he would say, 'Fine, let's talk.' Consequently I would have as many as 20 people feeding me deals at once," Mr. Katz says. He would then sit down with Mr. Rose and choose.

Yes, the catch-as-catch-can method did pull in sizable national deals to do commercials for Beecham Products' Aqua Velva and Combe Inc.'s Grecian Formula, but what was missing was a coordinated marketing program. This lack could cost Pete Rose dearly as he closed in on the Ty Cobb record, Mr. Katz felt.

"I became particularly uncomfortable as Pete came to this period in his life where we were looking toward a momentous record," Mr. Katz says. "It wasn't just the record. It's Pete the person and what he was going to represent in this period leading up to the record. After the record is broken, he will become a person of a different stature with opportunities and responsibilities that go along with that."

Hence the search for an experienced agency to put a total marketing plan together. Mr. Katz says he examined a number of agencies before settling on Landau.

Landau has attempted to construct an image of Pete Rose that is a composite of many things the public already knows about him, and some that it may not know, such as his work with the American Diabetes Assn. and Big Brothers of America. He is portrayed as a man who does not possess the greatest physical talents but who has used what he has not only to excel himself but to motivate others to do so.

The key element of the selling effort is a nine-minute film that climaxes with the emotional depiction of the day Mr. Rose gets that 4,192nd hit. The film includes testimonials by Fran Tarkenton and Phyllis George as well as by Kyle Craig, senior vp-marketing, Burger King, who tells how Pete Rose's accomplishments were used in an in-house motivation film when the company launched its "battle of the burgers" advertising campaign.

It also shows another side of Mr. Rose: "Pete looks great in a coat and tie and can play the corporate role as well. I think that's a little known part of him," says Ms. Gordon.

The film is accompanied by a detailed proposal outlining the ways corporations can cash in on Mr. Rose's fame and by a slick six-page brochure that also describes the big moment: "...the stadium seems to gasp as one and then explodes. The scoreboard erupts. There is jubilation celebration as Peter Edward Rose tips his cap to his fans, and to the world."

The whole show goes on the road soon; Landau sees the next three to six months as the right time for its pitch. "It's tough to get folks in marketing and advertising departments to commit to anything this early," Landau's Mr. Trager concedes. "But when they begin to focus in on next year we will be a part of their memory."

Whether corporations buy the pitch seems almost secondary to Mr. Katz, the ballplayer's attorney; he's just happy that the all-out, coordinated attempt to sell Mr. Rose has finally been undertaken.

"This might not be successful financially for Pete but it's going to be done well," he says. "That's all that I care about at this point in his career. Now I know whatever happens it won't be cheapened by a bunch of promotions that make no sense." #

Have you seen a Ford ad lately?

(Continued from Page 3)
tang convertible.

May's results probably reflect the cumulative effect of the advertising for those products as well as the new Tempo campaign, according to Joseph Schulte, general manager of the Dearborn, Mich., office of J. Walter Thompson USA, agency for Ford. He said the ad-watch results confirm his agency's own research, particularly in regard to Tempo.

"We're pleased, but not surprised," Mr. Schulte said. Tempo advertising "was specifically designed to build awareness for the product," he said, "and all of our pretests indicated that that would in fact happen." Mr. Schulte also noted that all Ford division advertising now uses the "Have you driven a Ford lately" tag line, which he said has proven to be very effective.

Chevrolet was No. 2 in May, for the 11th time in 14 months, with a score of 9.4%, up slightly from 8.6% in April. Ford's May margin of 11.9 points over Chevrolet was its widest yet; Ford's lead was as narrow as 1.2 points last November.

Toyota again was No. 3 in the category, with 6.7% of all May mentions, up from 5.6% in April. Ford, Chevrolet and Toyota have ranked Nos. 1 through 3 every month; Toyota has edged out Chevrolet for the No. 2 spot three times.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a national random sample of consumers to identify the advertising that first comes to mind of all seen or

heard in the previous 30 days for each of 20 categories. Last month, 1,250 people were questioned by telephone from May 1 through May 21. Under adWatch methodology, an increase or decrease of 2.8 percentage points indicates a statistically significant change—one attributable to more than variations in the sample itself.

In the fast-food category, McDonald's suffered a 7.5-point decline in awareness last month, to 42.3% of all responses from 49.8% in April. That was its second-steepest drop, topped only by a 15.7-point decline last October, when Burger King launched its hard-hitting comparative campaign.

Unlike the pattern of previous months, when a rise or fall for McDonald's was accompanied by a Burger King move in the opposite direction, Burger King held steady with a score of 16.3%, versus 16.2% in April. Burger King phased out its "broiling versus frying" ads in the middle of last month, at roughly the same time McDonald's began airing commercials that tout its No. 1 ranking in fast-food sales, the 11 million people served daily and its array of products.

In other categories last month: Marlboro reclaimed the top spot in tobacco products, with a 3.2-point rise to 9.4%, its second-best adWatch score. Marlboro had relinquished its No. 1 position for the first time in April, when Kool jumped 4.1 points to 6.2%. Kool fell a significant 4.6 points in May, to just 1.5% and No. 9 in the category. Skoal was No. 2 with a score of 4.2%, and Winston No. 3 with a score of 3.4%.

Birds Eye and Green Giant re-

mained No. 1 and No. 2, respectively, in frozen foods, but Birds Eye expanded its lead considerably with a 4.1-point increase to 14.4% of all responses, while Green Giant slumped 3.9 points to 5.6%.

• In coffee & tea, Sanka's awareness was nearly halved, to 5.5% from 10.1%, and its advertising fell to No. 4 in awareness from No. 3. Folger's repeated as category leader with 20.5% of responses, followed by Maxwell House with 15.9% and Lipton with 8.5%.

• Tylenol remained No. 1 in medicine & drugs by a substantial margin, but fell 5.9 points to 33.8%. Anacin again was No. 2 with 5.4%, up from 3.9%, and Bayer repeated as No. 3 with 4.3%, up from 2.6%.

• In home electronics, No. 2 Apple fell 3.5 points to 4.5%. Atari remained No. 1 with 16.3%, up from 13.6%, and Texas Instruments again was No. 3 with 3.2%, down from 4.3%.

• There were no significant moves in soft drinks, which may in itself be significant, as Pepsi-Cola again failed to show an appreciable awareness lift from a new campaign launched several months ago. It remained No. 2 in the category with a score of 20.8%, up slightly from 19.7%. Coca-Cola was No. 1 for the sixth straight month with a score of 25.7%, down from 28.6%. 7UP, which had lost the No. 3 spot to Diet Coke in February and March, was No. 3 in May for the second straight month with a score of 6.7%, up from 5.2%.

For more information, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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FLASH REPORT: Newspaper advertising investment for March

CATEGORIES	YEAR	IN 100 THOUSANDS										IN MILLIONS										DOLLARS		CHANGE	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1983	1982	ACTUAL \$ G OR L	% G OR L
Department stores	1983																					\$67,211,026	\$53,111,949	+14,099,077	+26.5
Food stores	1983																					25,235,464	19,861,517	+5,353,947	+26.9
Radio, tv, phonographs, records	1983																					10,580,377	8,113,442	+2,474,935	+30.5
Alcoholic beverages	1983																					1,847,553	1,712,102	+135,451	+7.9
Cosmetics, photo supplies & services	1983																					325,817	538,857	-212,840	-39.5
Beverages: coffee and tea	1983																					209,319	232,861	-23,542	-10.1
Beverages: soft drinks, diet/non diet	1983																					574,549	336,982	+237,567	+70.5
Soaps, cleansers & polishes	1983																					265,083	111,999	+153,084	+136.7
Cold, cough & sinus remedies	1983																					39,308	47,970	-8,662	-18.1
Headache remedies & sedatives	1983																					169,993	560	+169,433	++
Publishing & media	1983																					9,984,709	9,178,596	+806,113	+8.8
Sporting & Leisure time equipment	1983																					623,164	717,444	-94,280	-13.1
Cigarettes	1983																					6,428,638	7,958,876	-1,530,238	-19.2
Cosmetics, makeup & manicure products	1983																					220,764	299,008	-78,244	-26.2
Airlines	1983																					10,404,071	10,684,455	-280,384	-2.6
Passenger cars-new	1983																					10,960,346	11,127,886	-667,540	-5.7

This Flash Report of newspaper advertising investment, compiled for Advertising Age by Media Records Inc., is derived from tabulations that cover 33 dailies and 25 Sunday editions in 14 cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington. The Washington Star ceased publication Aug. 7, 1981, and so, for comparability, has been excluded from this report.

Source: Media Records Inc.

Department stores lead newspaper ad spending

NEW YORK—Department stores spent \$67.2 million on newspaper advertisements in March, a 26% increase over the same period a year ago and the largest single investment among 16 advertising categories surveyed that month.

Other categories showing gains in March were radio, tv, phonographs and records, up 30% to \$10.6 million; food stores, up 27% to \$25.2 million; and soft-drink beverages, up 70% to \$575,000. Over-all, eight of the 16 categories registered increases for the month. The biggest declines were from cameras and photo supplies, down 40% to \$325,800, and cosmetics, makeup and manicure products, down 26% to \$220,700.

This Flash Report of newspaper

advertiser investment, compiled for Advertising Age by Media Records Inc., is derived from tabulations that cover 33 dailies and 25 Sunday editions in 14 cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington.

Libby breaks campaign for Frost drink mix line

CHICAGO—Libby, McNeill & Libby breaks a new national campaign for its three-item Frost drink mix line with couponed newspaper ads this week.

Themed, "Summer refresher," the full campaign includes in-store coupons, premium offers and summer recipes. Bloom Agency, Dallas, handles.

Bank takes shot at money fund ads

By ROBERT RAISSMAN

An Arizona bank has counterattacked the Investment Company Institute's ad campaign on behalf of money market mutual funds (AA, June 6), using print ads that borrow some of the institute's tactics.

Headlined, "Carrot shtick," the ads for Phoenix-based United Bank not only ask the question, "Who's kidding who, money funds?" but also reproduce the institute's Doyle Dane Bernbach-created ad that features a dangling carrot.

The carrot in the institute's ad represents the lure of high interest rates that the institute claims the bank money funds initially offered the public in order to woo them from the money market mutuals.

United Bank's copy maintains that the money funds can't beat United's money market account rates and that money fund checks are difficult to cash because they are often from an out-of-state bank. One line says of the money markets' mutual funds: "But since they don't have a rate to stand on, they would be better off saying nothing...which they are."

Tom Dynjan, general manager of Owens & Associates, agency for United Bank, said it was not the bank's intention to use the ads as a direct response to the institute's campaign but

rather to "protect our own investment in the product and in the assets the bank has gotten."

While calling the institute's advertising powerful, he said ads such as one headlined, "the Atlanta Sting," which detailed how Atlanta banks failed to fulfill some of their

advertised promises, represented an unfair indictment by the institute of the banking industry.

"They are stretching it a bit when they run an ad about the Atlanta sting in Phoenix," he said. "It has nothing to do with what's going on here."

However, Mr. Dynjan said the agency's research showed that people primarily were interested in interest rates and that insurance and other features being promoted by bank money funds would not hold investors.

"It is interesting to me that more banks are not coming back at the money funds in their ads," he said. "You would think they would want to protect what they have gained."

Carrot Shtick.



United Bank

United Bank, Phoenix, is fighting back against recent claims by money market mutual funds via a print campaign designed to protect its own money market account package.

New Kikkoman Lite cuts salt content in soy sauce

SAN FRANCISCO—Kikkoman International is out with a reduced-salt version of its No. 1 soy sauce, a product it hopes will find a following among the growing number of health-conscious consumers.

Kikkoman Lite contains 43% less salt than naturally brewed Kikkoman soy sauce and more than 50% less than its LaChoy and Chun King brand competitors, but it is comparable in flavor to its full-strength counterpart, the company claims.

Ads backing the July national introduction say, "We cut the salt, not the flavor." Grey Advertising, San Francisco, is the agency.

Kikkoman hopes to expand the market for the oriental sea-

soning among consumers who shy away from it because of its high sodium content.

The company doesn't intend that Kikkoman Lite will reduce sales of its regular soy sauce, which has a 45% share of the U.S. soy sauce market.

Kikkoman is concentrating its ad spending in magazines such as *American Health*, *Prevention* and *Weight Watchers*.

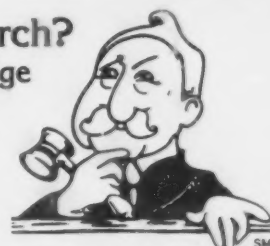
Pinne shop changes name

SAN FRANCISCO—Pinne, Garvin & Hock has changed its name to Pinne, Garvin, Herbers & Hock, reflecting the presence of partner Donald Herbers, chief operating officer and director of client services.

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giants of communications**

PULLOUT

Advertising Age Magazine

JUNE 27, 1983

4

100 Leading Media Companies: The leading U.S. media companies are profiled and ranked by circulation and advertising revenues. Company profiles include recent personnel changes and

100

complete media property listings. Also, special features cover some interesting players and properties that have made the news during the past year. For an index of profiles, see Page 8.

Profile issues coordinator: Sarah Stiansen
Cover illustration: Jeffrey Toth

DEPARTMENTS

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To our readers

Picture, if you will, a young blonde woman whose desk is piled high with galleys, hastily scribbled notes to herself that only she can decipher; reference books about broadcasting, cable, newspapers; stacks of chart material, and folders full of story ideas.

That sometimes frazzled but ever really in control woman is Sarah Stiansen, ADVERTISING AGE profile issues editor and the one ultimately responsible for this week's "100 Leading Media Companies" issue.

Sarah joined the Magazine staff "unofficially" just a year ago, shortly after graduating from the University of Michigan with a degree in English literature. She was looking for work, and she said one of her strong points was "interpreting confused language and simplifying jargon."

Sarah was just what we were looking for because we were just finishing our second 100 Leading Media Companies and were beginning to work on our "100 Leading National Advertisers" issue. We needed someone to help us sort through the mass of assignments, and, as copy trickled and then poured in, someone to help edit the profiles.

Sarah joined the Magazine officially as a fulltime staffer Jan. 1, 1983, and we're not sure how we ever did without her.

As profile issues editor, Sarah oversees gathering numbers, making writing assignments for profiles and features and editing the material that appears in our various "profile" issues: Agency Income, Leading Media Companies, 100 Leading Advertisers and 100 Top Markets.

One of the parts we like best about putting together a profile issue is searching out people and subjects to devote to the short features articles that are scattered throughout the issues.

We began including these features when we created the first 100 Leading Media Companies issue, published in December, 1981. The idea was so successful we began to translate the formula to the other profile issues.

Ideas for these stories originate in a variety of ways. Many result from phone calls made while we are researching and editing profiles. For example, the idea for the piece on the Journal Co.'s WTMJ-TV, Milwaukee, Page M-59, was sparked by a small item in a reference book.

Sometimes our plans don't work out the way we'd like them to, though. For example, two of the more interesting women in publishing are Oveta Culp Hobby, chairman and editor of H&C Communications, which publishes the *Houston Post*, and Helen Copley, publisher of Copley Newspapers, who took over the reins of their respective papers after the deaths of their husbands.

We thought articles on both women would offer some insights into the newspaper business and would make appealing reading. Unfortunately, both declined to be interviewed for our issue.

It would be unfair to single out any one person who devoted so many hours to preparing this reference issue. The profiles were researched and written by ADVERTISING AGE reporters and editors in all our bureaus, and Magazine staff members wrote and edited profiles and proofread galleys.

All in all, many people contributed many long hours and a great deal of effort to this issue. I want to thank them all.

Marion Elmquist
Editor

Letters

A namby pamby?

If James Brady hadn't had to preen over his very own white dinner jacket, who knows how many more than the 60 names he managed to drop—or better, list—he might have inflated himself with in his column, "The birthday party" (June 6).

What a namby-pamby James Brady seems, with the arms of his sweater casually thrown over his shoulders so he can hug himself. Is this Brady a man who "grabs" a scotch, as he puts it? I think not.

Now that summer's on its way, we will be spotting him puffing himself up in the oh, so trendy watering hole of the moment, his sunglasses clamped on the top of his curls like a headband... "Well, surely you read my last column in which I point out that..." chattering on about Southampton and some cunning little cafe he found in an apparently abandoned drainage pipe that only he and George Plimpton know about. Or care about.

Couldn't you trade him to a cosmetics magazine or something and get someone else for us and a hundred dollars? At least, charge him for the space he abuses to reassure himself.

Reginald A. Bowes
Executive vp
Vicom Associates
New York

For the record

The special report on Suburban Media (May 30) was an excellent effort. Please accept my sincere thanks for allowing Suburban Newspapers of America to be represented by my article.

When my department heads read the story, however, they were somewhat chagrined by the explanation of my background. Our free newspapers are, in fact, newspapers. Our editorial staff of 11 people felt that the proper attribution of our organization should have been free newspapers, not shoppers.

Charles I. Wrubel
President
Suburban Newspapers
of America
Chicago

Contempt for the doers

Anyone who read Ayn Rand's "Atlas Shrugged"—and understood it—could understand Mr. Mahoney's motivation ("The

battling maverick as corporate chieftain," May 23).

My rage is for each blood-sucker who backstabbed him anonymously. Blood: The essence of life. Bloodsucker: A person who extorts or takes from others as much as he can get.

These people feed off of the strength and accomplishments of the "doers." Instead of respect or appreciation for those who put money in their pockets, they feel contempt. And it makes me sick (disgusted by reason of excess). These people would be wise to "check their premises."

Margo Faith
Account Representative
The Market Junction
Loves Park, Ill.

Critical of our Critic

Can you stand a little criticism of your Critic's Corner column? Your Critic's approach to the Ford ad in the May 16, Magazine is ridiculous!

What your Critic complained about was the starkness of the photography, which may be true. But, because of the striking image of a giant man towering over a car on a lift, who cares?



When I saw that ad in a magazine, I had to linger over it for a while. I'm sure many other people did, too. To me it did more than most ads do, it captured my interest. Picking it apart by pretending that there are no such things as context and purpose is useless.

My only beef with that ad was that there was no highlighting of any of the copy in the text. But, as far as attracting attention, it works. Your Critic's argument didn't.

Stephen D. Bock
Publisher
Atlanta Directory of
Creative & Advertising Services
Atlanta

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Executive Editor

Marion Elmquist
Editor

Mark Watanabe
Managing Editor

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100 media companies' reve

1982 rank	1981 rank	Company	1982 revenues in millions			1981 revenues in millions		
			Media	Total	% media	Media	Total	% media
1	1	American Broadcasting Cos.	2,530.0	2,660.0	95	2,300.0	2,440.0	94
2	2	CBS Inc.	2,450.0	4,120.0	59	2,180.0	3,960.0	55
3	4	Time Inc.	1,830.0	3,560.0	51	1,510.0	3,300.0	46
4	3	RCA Corp.	1,790.0	8,240.0	22	1,620.0	8,004.0	20
5	6	Gannett Co.	1,492.8	1,519.5	98	1,345.0	1,370.0	98
6	5	Times Mirror Co.	1,489.2	2,210.5	67	1,368.4	2,156.0	64
7	7	S.I. Newhouse & Sons	1,350.0	1,520.0	88	1,250.0	1,400.0	89
8	8	Knight-Ridder Newspapers	1,300.1	1,327.7	98	1,200.5	1,237.1	98
9	9	Hearst Corp.	1,300.0	N/A	N/A	1,200.0	N/A	N/A
10	10	Tribune Co.	1,240.0	1,430.0	87	1,170.0	1,410.0	83
11	11	New York Times Co.	890.6	933.7	95	796.6	841.7	95
12	13	McGraw-Hill	804.2	1,190.0	67	732.4	1,110.1	66
13	12	Washington Post Co.	786.2	801.4	98	739.5*	753.4	98
14	14	Dow Jones & Co.	683.0	730.7	94	600.0	641.0	94
15	15	Capital Cities Communications	663.6	663.6	100	573.8	573.8	100
16	24	Westinghouse Electric Corp.	663.0	9,745.4	7	319.0	9,367.5	3
17	16	Dun & Bradstreet	584.1	1,500.0	39	553.4	1,330.0	42
18	18	E.W. Scripps Co.	575.0	631.9	91	500.0	550.0	91
19	17	Triangle Publications	549.4	549.4	100	502.2	502.2	100
20	21	Cox Communications	477.5	514.7	93	370.2	403.5	92
21	19	Cox Enterprises	425.0	425.0	100	419.5	419.5	100
22	29	Storer Communications	379.3	379.3	100	276.4	276.4	100
23	22	Field Enterprises	377.5	450.0	84	368.7	425.0	87
24	26	Harte-Hanks Communications	333.8	396.9	84	300.9	348.5	86
25	20	Metromedia Inc.	326.8	407.1	81	390.5	461.8	85
26	28	Ziff Corp.	320.2	N/A	N/A	300.0	N/A	N/A
27	25	Central Newspapers	315.0	315.0	100	304.5	304.5	100
28	30	Oklahoma Publishing Co.	302.9	302.9	100	266.8	266.8	100
29	35	Chronicle Publishing Co.	296.3	296.3	100	234.7*	234.7*	100
30	50	General Tire & Rubber Co.	288.2	2,470.0	12	160.9	2,180.0	7
31	36	News America Publishing	270.0	270.0	100	210.0	210.0	100
32	23	Meredith Corp.	266.0	449.1	59	236.7*	403.4*	59
33	48	Tele-Communications Inc.	265.5	282.6	94	167.7	181.4	92
34	33	Affiliated Publications	259.0	259.4	99	235.8*	236.1	99
35	31	Evening News Assn.	257.0	257.0	100	250.0	250.0	100
36	27	Reader's Digest Assn.	256.0	1,300.0	20	267.0*	1,200.0	22
37	34	Thomson Newspapers**	254.0	539.8	47	232.4	536.2	43
38	41	Media General	248.1	429.4	58	197.1	366.5	54
39	32	Cowles Media Co.	238.0	238.0	100	213.7	213.7	100
40	39	Landmark Communications	230.0	230.0	100	200.0	200.0	100
41	49	Viacom International	228.6	274.9	83	164.5	210.4	78
42	42	Multimedia Inc.	225.5	225.5	100	195.3	195.3	100
43	40	Pulitzer Publishing Co.	224.0	224.0	100	197.4	197.4	100
44	44	H&C Communications	210.8	210.8	100	188.3	188.3	100
45	37	Copley Newspapers	209.3	210.0	99	205.6	206.5	99
46	43	Freedom Newspapers	207.7	207.7	100	194.1	194.1	100
47	45	A.H. Belo Corp.	203.2	203.4	99	182.2	182.3	99
48	58	A.S. Abell Co.	185.0	185.0	100	133.0	133.0	100
49	52	McClatchy Newspapers	185.0	185.0	100	160.0	160.0	100
50	71	Warner Communications	183.8	3,980.0	5	110.5	3,240.0	3

*Restated figure

**Media revenues represent U.S. holdings only. Total revenues are consolidated worldwide figures. Percentage figure consists of U.S. media percentage of total.

Revenues top \$37 billion in 1982

1982 rank	1981 rank	Company	1982 revenues in millions			1981 revenues in millions		
			Media	Total	% media	Media	Total	% media
51	47	National Geographic Society	181.1	280.4	65	170.7	272.7	62
52	70	American Express Co.	175.8	8,093.0	2	113.6	7,291.0	2
53	46	General Electric Co.	175.0	26,500.0	0.6	175.0	27,000.0	0.6
54	51	Houston Chronicle Publishing Co.	167.9	167.9	100	160.6	160.6	100
55	53	Playboy Enterprises	165.9	210.1	79	177.6*	221.5*	80
56	54	Journal Co.	165.8	290.0	57	162.4*	290.0	56
57	55	Penthouse International	165.0	175.0	94	150.0	160.0	94
58	56	Lee Enterprises	158.9	160.6	99	149.8	153.1	98
59	64	Wometco Enterprises	155.5	493.4	32	122.7	434.2	28
60	63	Donrey Media Group	147.4	147.4	100	125.0	125.0	100
61	82	Turner Broadcasting System	146.3	165.6	88	83.0	95.1	87
62	65	Blade Co.	141.4	141.4	100	122.6	122.6	100
63	57	National Enquirer	140.0	140.0	100	90.9	90.9	100
64	74	Howard Publications	139.5	139.5	100	114.4	114.0	100
65	60	Oak Industries	139.0	545.7	25	130.0	507.1	26
66	66	Providence Journal Co.	132.0	312.0	42	121.0	262.0	46
67	59	Cahners Publishing Co.	130.0	160.0	81	100.0	150.0	67
68	—	Dispatch Printing Co.	127.2	127.2	100	110.4	110.4	100
69	62	Taft Broadcasting Co.	125.1	358.2	35	112.2	239.9	47
70	61	U.S. News & World Report	124.0	132.0	94	107.2	114.0	94
71	73	Harcourt Brace Jovanovich	122.4	575.3	21	107.0	539.3	20
72	72	Times Publishing Co.	119.5	119.5	100	110.0	110.0	100
73	69	Morris Communications Corp.	117.6	120.0	98	115.8	118.4	98
74	67	Petersen Publishing Co.	117.5	127.5	92	105.0*	113.0*	93
75	68	Seattle Times Co.	116.5	116.5	100	118.3	118.3	100
76	75	McCall Publishing Co.	110.0	110.0	100	97.2	97.2	100
77	89	Continental Cablevision	108.7	108.7	100	73.0	73.0	100
78	74	Rogers-UA Cablesystems	107.0	107.0	100	77.8	77.8	100
79	77	Jefferson-Pilot Corp.	101.1	1,020.0	10	91.4	978.7	9
80	83	Southern Progress Corp.	100.0	N/A	N/A	80.0	N/A	N/A
81	94	United Cable Television Corp.	99.8	99.8	100	62.8	62.8	100
82	76	Courier-Journal & Louisville Times Co.	98.0	160.0	61	93.1	153.2*	61
83	79	Scripps-Howard Broadcasting Co.	95.6	95.6	100	87.3	87.3	100
84	—	Ingersoll Newspapers Co.	95.0	95.0	100	87.5	87.5	100
85	—	Allbritton Communications Co.	93.0	93.0	100	50.5	50.5	100
86	78	Des Moines Register and Tribune Co.	90.6	94.5	96	89.4	92.6*	97
87	90	Deseret Management Corp.	89.0	104.7	85	71.9	84.5	85
88	87	Outlet Co.	87.0	87.0	100	75.0	142.8	53
89	84	Bergen Evening Record Corp.	86.1	87.3	99	79.3	80.4	99
90	86	Park Broadcasting	85.0	91.0	93	75.0	80.0	94
91	80	Pittway Corp.	81.8	411.1	20	86.3	403.6	21
92	91	LIN Broadcasting Corp.	81.3	88.4	92	66.2	71.0	93
93	98	Sammons Communications	81.0	81.0	100	59.9	59.9	100
94	92	Knapp Communications	79.7	92.9	86	64.5	74.5	86
95	—	Maclean Hunter Communications**	75.0	427.1	18	60.2	341.2	18
96	93	Army Times Publishing Co.	73.7	104.2	70	63.3	94.4	67
97	95	Rollins Inc.	69.2	526.5	13	62.1	454.6	14
98	—	Cosmos Broadcasting Corp.	67.5	264.8	25	47.7	231.2	21
99	81	Worrell Newspapers	67.4	67.4	100	84.0	84.0	100
100	—	Rodale Press	67.0	96.0	70	55.0	85.0	65
101		TOTAL		37,228.10				

Despite clouds, revenue gains follow the leaders

By Joseph M. Winski

For most of the nation's largest media companies, 1982 was the year for riding out a recession and simultaneously—in many cases because of the recession—asking tough questions about strategy.

Are new cable franchises worth bidding for? Is pay tv a bad business?

How does a newspaper respond to a competing "total market coverage" program for advertisers, or implement one of its own? Is *USA Today* really an "extra buy" for readers, or will they drop the local daily? Are short stories and big graphics the wave of the future? How can magazines exploit the falloff in network tv viewing?

In general, media companies handled the immediate concern—the recession—surprisingly well, at least in terms of revenue growth. Sixty-three of the 100 media companies in *ADVERTISING AGE*'s third ranking posted double-digit revenue gains last year—and 29 of them racked up increases of more than 20%. Only five suffered decreases in revenue last year—and two of these were largely because of the sale of some media properties.

The *ADVERTISING AGE* 100 Leading Media Companies as a whole managed a 13% gain in revenues from media operations last year, the same percentage gain achieved in 1981. The wounds to profitability may have been more serious than in 1981; there nonetheless was a marked uplift in the optimism of media executives in 1983 compared with a year earlier.

And if anything, companies in the "old media" are more optimistic than the newer cable companies that were so hopeful last year. "We have learned a lot from the recession," Steve Sturm, director-newspaper development at Lee Enterprises (No. 58 on the list) told our reporter, "and more than ever we are bullish on newspapers."

Some companies were not forced to face the tough strategy questions, largely because they

appear to have considered them carefully before. Most notable here may be Time Inc., whose twin-pronged emphasis on consumer magazines and video—most notably Home Box Office, its pay cable network, and cable system operator American Television & Communications—enabled it to make the most significant move among the top 10 media companies. Its 21% jump in revenues helped it supplant RCA Corp. (parent of National Broadcasting Co.) as the third largest media company. It marked the first time in the three years of our survey that someone other than the companies that own the three major tv networks were the top three.

Gannett Co., whose strategy involves eschewing cable and betting heavily on newspapers—as vividly underscored by its introduction of *USA Today*—made the only other climb in the top 10. It moved up to No. 5 from No. 6, with a 10.4% media revenue gain, edging out Times Mirror Co., which dropped to No. 6 despite an 8.8% revenue increase.

American Broadcasting Cos. repeated as the largest media company, as its revenues increased 10% to \$2.53 billion. CBS Inc., with a 12% rise, again was No. 2. Time, RCA and Gannett were followed by the same companies that ranked 7 through 10 in 1981: S.I. Newhouse & Sons, Knight-Ridder Newspapers, Hearst Corp. and Tribune Co.

As was the case the previous two years, the top 10 media companies were the only ones who topped the billion dollar mark in media revenues. They accounted for 45% of the \$37.2 billion in media revenues of all 100 companies on our list. But again the increase of the top 10 companies as a group—10.6%—was less than the 13% increase of all 100 companies.

Westinghouse Electric Co., which benefited from a full year's ownership of cable operator Teleprompter, posted the largest percentage increase, more than doubling media revenues to an estimated \$663 million. It leaped eight places in the rankings, to No. 16 from No. 24.

Other big gainers included Allbritton Communications Co., up 84% to \$93 million and to No. 85 from unranked in 1981; General Tire and Rubber (RKO General), up 79% to \$288.2 million and to No. 30 from No. 50; Tele-Communications up 98% to \$265.6 million and to No. 33 from No. 48, and Turner Broadcasting System, up 76% to \$146.3 million and to No. 61 from No. 82.

By virtue of Warner Amex, their joint venture, both Warner Communications (No. 50) and American Express Co. (No. 52) also managed impressive revenue gains last year, of 66% and 55%, respectively. However, as was the case for a number of other companies heavily into cable, the revenue gains masked some serious profit problems. Warner Amex lost \$46.6 million last year.

Warner Amex was hardly alone in hurting from the heavy costs involved in winning and building cable franchises. Storer Communications (No. 22), United Cable Television Corp. (No. 81), Continental Cablevision (No. 77) and Sammons Communications (No. 93) are also cooling their pursuit of new franchises. "We are not actively franchising," said a Sammons spokesman, adding that the entire process has become much too costly and unrewarding.

Expectations also were lowered in some quarters for certain pay tv programming efforts. Westinghouse Broadcasting & Cable scrapped plans to be a partner in the Disney Channel with Walt Disney Productions and also sold its half interest in Showtime, the pay tv network, to Viacom International.

More recently, the Justice Department said it would block, on antitrust grounds, a proposed merger of Showtime and the Movie Channel that was designed to compete with HBO.

Some companies are seeing improved profits from cable, either as system operators or programming providers. For example, Multimedia Inc. (No. 42) said its cable division's operating profits rose 74%, and Capital Cities Communications (No. 15) said its cable division broke into the

black last year. And Turner Broadcasting, which had been absorbing heavy losses in cable programming offered via superstation WTBS and Cable News Network, said it will post an operating profit this year.

In an effort to operate more efficiently, cable system operators increasingly are adopting a "clustering" strategy, in which new cable franchises are sought only if they are adjacent to existing ones. Time Inc.'s American Television & Communications, for example, says this approach makes it more economical to advertise for potential subscribers and also gives advertisers larger, less fragmented markets. An offshoot of the clustering strategy is an increase in swapping, in which companies trade isolated systems for systems contiguous to other markets where they operate.

Operating over-the-air subscription tv stations emerged as a big question mark in 1982. Oak Industries (No. 65), once a Wall Street favorite for its aggressive marketing of pay tv subscriptions, saw subscriber growth slow and disconnections rise substantially last year, leading to the cessation of ON TV operations in Phoenix and Dallas. These and other developments reduced Oak Industries' net income to just \$4.1 million last year from \$30.3 million in 1981.

Even Time Inc. is taking some lumps here; its pay tv stations in Dallas, Cleveland and Boston lost money last year, and it sold the Dallas operation in September.

In the print media, some traditionally powerful flagships weakened last year. At McGraw-Hill (No. 12) ad pages at *BusinessWeek* fell 10%. The National Geographic Society's (No. 51) *National Geographic* had one of its worst years in a long time, suffering a 33% dip in ad pages and a 23% drop in ad revenues. Times Mirror's *Los Angeles Times* suffered a 23% decline in classified advertising lineage and instituted stringent cost cutting.

Reader's Digest also had a bad year, one of the results of which was the magazine industry's most aggressive promotional effort to capitalize on decreased

network tv watching. The campaign, based on research showing that, unlike network tv viewing, magazine readership doesn't decline when cable enters a market, has been picked up by the Magazine Publishers Assn.

Richard McLoughlin, *Digest* publisher, said the findings could have a significant positive effect on general magazines within five years.

Over-all, the bright news seemed to outweigh the bad for print media last year, especially as newspapers and magazines realized that they had weathered the worst of the economic slowdown. One indication of fundamental optimism is the number of ambitious new magazine launches recently, including Time Inc.'s *TV-Cable Week*, S.I. Newhouse's revamped *Vanity Fair* and *Spring* magazine from Rodale Press, which made it to No. 100 on our list. And in a noteworthy newspaper development Tribune Co. claimed its *New York Daily News*, once near extinction, was turning around and could be making money by the end of this year.

Aside from the general economy, newspaper concerns seemed to focus on the possible impact of Gannett's flashy *USA Today*, which already has prompted a substantial increase in the use of color graphics by many dailies.

The concept of "total market coverage," introduced in markets such as Seattle by free weekly shoppers, also is drawing increased attention, as papers either react to a "TMC" invader or try to preempt one with their own versions.

Newcomers to our list in addition to Allbritton Communications and Rodale Press are Dispatch Printing Co. (No. 68), Ingersoll Newspapers Co. (No. 84), Maclean Hunter Communications (No. 95) and Cosmos Broadcasting Corp. (No. 98).

Dropping from the list were Charter Co., which was No. 38 in 1982 but has sold off its media operations, Post Corp. (No. 88 last year), CSX Corp. (97), Schurz Communications (98), Christian Science Publishing Society (99) and Stauffer Communications (100).

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The ups and downs of media's big time

A.S. Abell Co.

A.S. Abell Co., Baltimore, is the country's 48th largest media company, with operation revenues of about \$185.0 million in 1982, in all media. In 1981, its media revenues were \$133.0 million.

The revenues stem from two properties: A.S. Abell Publishing, which accounted for about 68% of the total, and A.S. Abell Communications. Abell's principal property remains the Baltimore Sunpapers, the morning, evening and Sunday papers, but A.S. Abell Communications is the fastest growing part of the company. The company's broadcast revenues doubled in the past year because of an aggressive acquisition program.

The privately held company acquired WCRJ (am, fm) in Jacksonville, Fla., for \$2 million and it also purchased WNVZ (am, fm) in Norfolk, Va., for \$1.9 million. Finally, WDOX-FM in Daytona, Fla., was purchased for \$2.8 million. The company continues to own WMAR-TV, the NBC affiliate in Baltimore, but it sold WBOC-TV and WBOC-AM and FM in Salisbury, Md. No sale price was available; the transaction was part of a larger package that included an industrial park and printing facility.

Steve Seymour, the chief executive officer of A.S. Abell Communications, said the company's objective is to have seven

fm stations, the maximum allowed by the Federal Communications Commission. Including WRLX-FM, Baltimore, the company now has four.

The sale of WBOC-TV left Abell with just one tv station, but Mr. Seymour said more acquisitions are planned for late 1983 or early 1984. Mr. Seymour wouldn't say what the criteria are for new tv acquisitions "except that like everyone else we're looking for undervalued properties in growth markets."

Another new venture of A.S. Abell in 1982 was its first syndicated tv program, "Jack Anderson's Confidential." The show was seen in 70 markets, includ-

ing eight of the top 10 and 16 of the top 20.

Mr. Seymour said expansion of Travelcom is also planned. Travelcom delivers advertising to tv sets in more than 12,000 hotel rooms in Baltimore and Washington.

Abell Publishing has also been busy in the past year, acquiring the regional *Country* magazine. Abell inherited a circulation of just 35,000, but it expects that figure to be doubled this year, thanks to a massive mailing.

Meanwhile, the Sunpapers have added more circulation and a brighter look. New offset presses have allowed the Sunday *Baltimore Sun* to put color on all 12 section fronts. Peter Stegner, who became advertising director in October, said use of color wasn't provoked by Gannett's *USA Today*, "although they hurried us up a bit." Mr. Stegner joined the company from Gannett's *Rochester Times-Union*.

The morning and afternoon *Baltimore Sun*s have a combined circulation of 347,956 (March, 1983, Audit Bureau of Circulations figures) and the Sunday *Sun*'s official circulation was 380,068. But since January, 1982 the Sunday *Sun* has had a circulation of more than 400,000, a fact stressed in a recent promotional campaign.

The newspapers are focusing circulation efforts in the suburbs between Washington and Baltimore—suburbs also coveted by the *Washington Post*. Those who don't subscribe to the papers may still be reached through the *Sun*'s shared-mail advertising. That project, planned for an August start, allows advertisers to reach six different zones, each of which is further divided into three or four sub-zones.

In the more distant future, Abell's most ambitious project could be Viewtron, a service that would use telephones and tvs to deliver a broad variety of information and services to homes. Abell is working with Knight-Ridder Newspapers on the project. Knight-Ridder plans to launch Viewtron in south Florida in September; the target date for Viewtron in the Baltimore-Washington area is late

1985.

Patricia McCarthy, the director of the Viewtron project, said that some information from the *Baltimore Sun* would be available on Viewtron. But, she said, Viewtron is ideal for delivering "micro-news": Information more specific and often more timely than what is available in newspapers.

In addition, Viewtron would be a two-way system. It could be used to buy groceries, pay bills and shop from catalogs. Ms. McCarthy said Knight-Ridder's research shows that Viewtron's main appeal would be to affluent consumers—a fact assured by its price alone. Although Viewtron uses existing phones and tvs, the gear needed to hook it up costs \$595. The monthly service fee is \$12.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WMAR, Baltimore.

RADIO: WCRJ (am, fm), Jacksonville, Fla.; WRLX (fm), Baltimore; WDOX (fm), Daytona Beach, Fla.; WNVZ (fm), Norfolk, Va.; WTJZ (am), Hampton, Va.

Cable/video

Abell Communications Productions (Jack Anderson's Confidential).

Magazines

Country.

Newspapers (dailies)

MARYLAND: Baltimore Sun, Baltimore Evening Sun.

Affiliated Publications

Affiliated Publications, Boston, is the 34th largest media company. Media revenues for 1982 were \$259.0 million, or 99% of total revenues of \$259.4 million. Media revenues were up 9.9% from the previous year's restated figure of \$235.8 million, or 99% of \$236.1 million in total revenues.

The *Boston Globe* accounted for \$244.2 million (up 10.2%), and broadcast operations contributed \$14.8 million to the total revenues.

The *Globe* is distributed throughout New England, with

the five-county Boston area being the primary market for the newspaper. Audit Bureau of Circulations figures for 1982 show the daily at 510,978 copies and the Sunday edition at 750,308 copies. These numbers show a gain from 1981 of 6,486 copies daily and 9,591 copies on Sunday.

Advertising lineage—66,536,765 lines—was down 2.7% for 1982. National advertising lineage dropped 1.1%. "The loss was due primarily to a cutback in advertising by tobacco companies," the company said. Retail advertising lineage increased, showing a gain last year of 1.3%. Despite the poor economy, classified advertising was surprisingly strong, with an over-all loss of only 6.1%. It is expected that classified help-wanted ads will show improvement through 1983.

Affiliated has a joint 45% interest in McCaw Communications Cos., a multiple system operator in Bellevue, Wash. The joint venture cable operation is now serving more than 102,000 basic subscribers. Cable systems were acquired in North Bend, Granger, Sunnyside, Grandview and Prosser (all in Washington) and in Juneau, Alaska. Affiliated formed a joint venture with McCaw in Southern Oregon to own and operate cable tv systems in Medford, Grants Pass, Roseburg and Klamath Falls.

McCaw's radio common carrier division sells and services telephones and pagers. It expanded during 1982, and McCaw predicts this technology will be one of the fastest growing segments of the telecommunications industry.

In June, McCaw Cellular Communications, a subsidiary of McCaw Communications Cos., filed applications with the Federal Communications Commission for cellular radio telephone franchises in six cities. In December, it filed for franchises in five more cities; in March, 1983, it filed for licenses in 14 other major markets.

Affiliated said that operating income at its broadcast stations was down in 1982 because of general weakness in the national and local economies. Affiliated Broadcasting expects improvement in revenues and operating profits in 1983.

Several building programs started in 1981 progressed last year. The satellite printing plant in Billerica, Mass., is targeted to go into operation in the spring of 1984. A 55,000-sq.-ft. office addition to the *Globe*'s main plant in Dorchester, Mass., will be completed in the fall of 1983. Offices for the purpose of studying the feasibility of establishing a videotex information system in New England were opened in Newton, Mass.

Effective Jan. 1, 1982, William O. Taylor became chairman of Affiliated and chief executive officer and publisher of the *Boston Globe*. John P. Giuggio became president and chief operating officer at Affiliated and president of the *Boston Globe*. Arthur F.

100 media extras

A guide to special features

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Media powers: Spotting the hundred at home



Dots indicate headquarters cities of our 100 media companies, with the greatest concentration in the New York metropolitan area.

Kingsbury became treasurer at Allbritton.

MEDIA PROPERTIES

Broadcasting

RADIO: KRAK (am) and KEWT (fm), Sacramento, Cal.; WOKV (am) and WAIV (fm), Jacksonville, Fla.; WHYN (am, fm), Springfield, Mass.; WFAS (am) and WWYD (fm), White Plains, N.Y.; KMPS (am, fm), Seattle.

Cable/video

Forty-five per cent ownership in McCaw Communications with cable locations as follows: ALASKA: Fairbanks, Juneau, Ketchikan, Sitka. OREGON: Redmond, St. Helens, Scappoose and Columbia City. Affiliated and McCaw have joint venture in cable tv systems located in Grants Pass, Klamath Falls, Roseburg, Medford. WASHINGTON: Centralia, Chehalis, Tenino, Oakville, Cle Elum, North Bend, Yakima, Selah, Union Gap, Wapato, Toppenish, Omak, Okanogan, Langeley, Whidbey Island, Ferndale, Blaine, Lynden, Everson, Nooksack.

Newspapers

MASSACHUSETTS: *Boston Globe*.

Other media properties

Radio Common Carrier Systems: Systems in Alaska, Idaho and Washington. Cellular radio telephone: Filed cellular applications for cellular radio telephone franchises in 25 major markets. In the top 30 markets: San Jose, San Francisco, Denver, Kansas City, Portland and

Seattle. In the second 30 markets: Oklahoma City, Tulsa, Sacramento, Salt Lake City and San Antonio. In the third 30 markets: Austin, Albuquerque, El Paso, Flint, Grand Rapids, Lansing, Long Branch, New Bedford, New Brunswick, Omaha, Springfield, Tacoma, Tucson, Wichita and Wilmington.

Allbritton Communications

Allbritton Communications Co., Washington, the nation's 85th largest media company, is a new entry to the listing of top media companies, with revenues estimated at \$93.0 million in 1982, all in media. This represented an increase of 84% over estimated media revenues of \$50.5 million in 1981.

Growth at Allbritton began in October, 1981, when owner Joe L. Allbritton purchased the *Trenton Times* from the Washington Post Co., and is continuing at rapid pace with the recent acquisition of KATV-TV in Little Rock and KTUL-TV in Tulsa. The media company now has six newspapers and five vhf stations.

Prior to the acquisitions, the composition of Allbritton Communications had changed very little since Mr. Allbritton sold the *Washington Star* to Time Inc. in 1975, but kept the other media properties. Time Inc. ultimately folded the *Star* in 1981

after attempting to sell it.

Purchase of the *Trenton Times* and *Sunday Times-Advertiser*, which are operating in the black, according to an Allbritton official, brings revenues estimated at \$39 million into the company.

The two new tv properties, purchased for \$80 million from Leake TV Inc. of Muskogee, Okla.—approved by the Federal Communications Commission this April—are expected together to generate in 1983 about \$23 million in revenues after agency commission, says Thomas B. Cookerly, president of the broadcast division at Allbritton.

The two stations, both ABC affiliates, are leaders in their respective and growing markets. Allbritton's broadcast property flagship, however, remains station WJLA-TV, the ABC affiliate in Washington, which is locked in a perpetual struggle with affiliates of other networks for the top share in that five-station market.

Other tv properties include another ABC affiliate, WSET-TV in Lynchburg, Va., NBC affiliate WCIV-TV in Charleston, S.C., and radio property KRKR (am) and KFKF (fm) in Kansas City, Kan., which until recently used the call letters KCKN am, fm. Broadcast, without the contribution of the new acquisitions, represented about 43% of total media revenues in 1982.

Newspaper properties include two papers in Massachusetts, the *Westfield News*, a daily with

circulation of 6,938 in 1982, and *Amherst Morning Record*, three in New Jersey, the *Paterson News* with 48,098 daily circulation and 46,709 for its weekend edition, the *Trenton Times* with daily circulation of 66,328 and a circulation of 78,563 for the *Sunday Times-Advertiser*, and the 38,057-circulated daily *Union City Dispatch*; and one paper in Pennsylvania, the *Irwin Standard-Observer*, a 13,443-circulation daily.

Allbritton Communications, while fully a communications company, is part of the Allbritton-owned holding company, Perpetual Corp., which has interests in insurance and mortuaries.

MEDIA PROPERTIES

Newspapers

MASSACHUSETTS: *Amherst Morning Record*, *Westfield News*. NEW JERSEY: *Paterson News*, *Trenton Times*, *Sunday Times-Advertiser*, *Union City Dispatch*. PENNSYLVANIA: *Irwin Standard-Observer*.

Broadcasting

TELEVISION: KATV, Little Rock, Ark.; WJLA, Washington; KTUL, Tulsa, Okla.; WCIV, Charleston, S.C.; WSET, Lynchburg, Va.

RADIO: KRKR (am), KFKF (fm), Kansas City, Kan.

American Broadcasting Cos.

American Broadcasting Cos.,

New York, is the largest media company in the U.S., with media revenues of \$2.53 billion, or 95% of the total 1982 revenues of \$2.66 billion. In 1981, its media revenues were \$2.3 billion, or 94% of total revenues of \$2.44 billion.

Its media interests include tv and radio networks and stations, consumer and business publications and several co-ventures in cable tv.

The majority of ABC's media revenues came from commercial tv and radio, which accounted for \$2.3 billion in sales, up from \$2.1 billion in 1981. Publishing operations delivered \$255.4 million last year, down from \$275.3 million in 1981; of those totals, \$170.4 million last year and \$187 million in 1981 were estimated to be in media, rather than books, manuals or records.

The company's No. 1 revenue source by far was the ABC-TV Network. ABC executives said the network posted record ad revenues and improved profits over 1981 levels, chiefly because of increased sponsor demand but also the gradual addition of commercial time to offset rising costs, and "stringent" cost controls. The network had record profits in the second and third quarters.

Any chance for record profits in the fourth quarter was lost when the National Football League Players Assn. called an eight-week strike. That forced ABC to cope with advertiser make-goods for "Monday Night Football" and reschedule movies that could have been used to

better effect, and at more attractive ad rates, during other times during the tv season.

In the first quarter of 1983, ABC revenues rose 8% to \$663.1 million but net income fell 43% to \$13.9 million from \$24.2 million the previous year (which included the gain from an investment tax credit refund). About \$654.2 million of revenues came from media properties; tv, radio and publishing posted strong gains but nonbroadcast video operations increased losses. The "Winds of War" and "Thorn Birds" miniseries, though costly, increased the tv network's sales growth and profit margin in the first quarter.

ABC lost the 1982-83 prime time season in A.C. Nielsen Co. households ratings to CBS by

five-tenths of a rating point, compared with nine-tenths of a point in the previous season and 1.6 points in 1980-81.

ABC executives emphasized that the network ranked first in prime time ratings in the important 18-to-49 bracket among both men and women.

ABC's ratings trend over the past three seasons is "one we obviously like," said John Severino, president, ABC Television. He said he was dissatisfied with ABC's performance on Thursday and Friday nights, however.

He also noted that "the NFL strike obviously hurt us in the first half of the season," while helping CBS "get off to a stronger start than they would have" had "Monday Night Football" opposed regular CBS se-

ries.

For 1983-84, Mr. Severino and Frederick Pierce, ABC president, predicts a strong seller's market for the advance selling period, when advertisers commit to long-term package purchases. Last year, the three networks signed nearly \$2 billion in upfront ad commitments. Part of the executives' bullishness is attributable to ABC's prime time inventory, which is 20% presold, because of the Olympics and political advertising.

Prime time may deliver ABC's biggest audiences and largest revenue totals, but daytime is the network's most profitable daypart, industry sources agreed. Besides its continuing dominance in Monday-through-Friday daytime ratings, ABC is

No. 1 in early morning with "Good Morning America." "General Hospital," "All My Children" and "One Life to Live" remained the daytime ratings powerhouses for ABC.

ABC's "World News Tonight" averaged a 12.1 homes rating for the same 29 weeks as the prime time season (through April 17), for the first time beating NBC, which had an 11.6 rating. CBS continued as the evening news leader with a 14.4 average. The only bad news for the news division came with the April axing of the late night "The Last Word" in favor of an expanded "Nightline."

ABC Sports' big events of 1984 will be the Winter and Summer Olympics, expected to produce \$650 million or so in ad

revenues. Commercial time on the winter games is virtually sold out, and about 80% of the summer games time is sold out.

ABC and its rival tv networks will see their sports rights payments rise considerably in the next six years, thanks to the \$2 billion five-year National Football League contract and a hefty National Collegiate Athletic Assn. football pact, both signed last year, and to the \$1.1 billion six-year agreement signed in April with Major League Baseball. ABC's share of the latter contract will be an estimated \$575 million.

Costs also rose for the tv programming and the news divisions, largely because of the startup of "World News This Morning," "This Week with David Brinkley" and "The Last Word."

All told, ABC reported that its commitments to buy broadcast programming (encompassing series, tv and theatrical movies and sports coverage) topped \$1.83 billion in 1982; 98% of it is payable as these programs are telecast in the next five years.

ABC's capital expenditures, chiefly for broadcast equipment, reached \$116 million last year and could climb to \$150 million to \$200 million this year.

Another successful operation under the ABC Television umbrella is the owned tv stations group, which ABC said was the most profitable group in the U.S. last year. Its sales prowess owed to the heavy viewing by adults 18 to 49, an audience segment that tuned in to the five ABC o&o's in greater numbers than to any other station group.

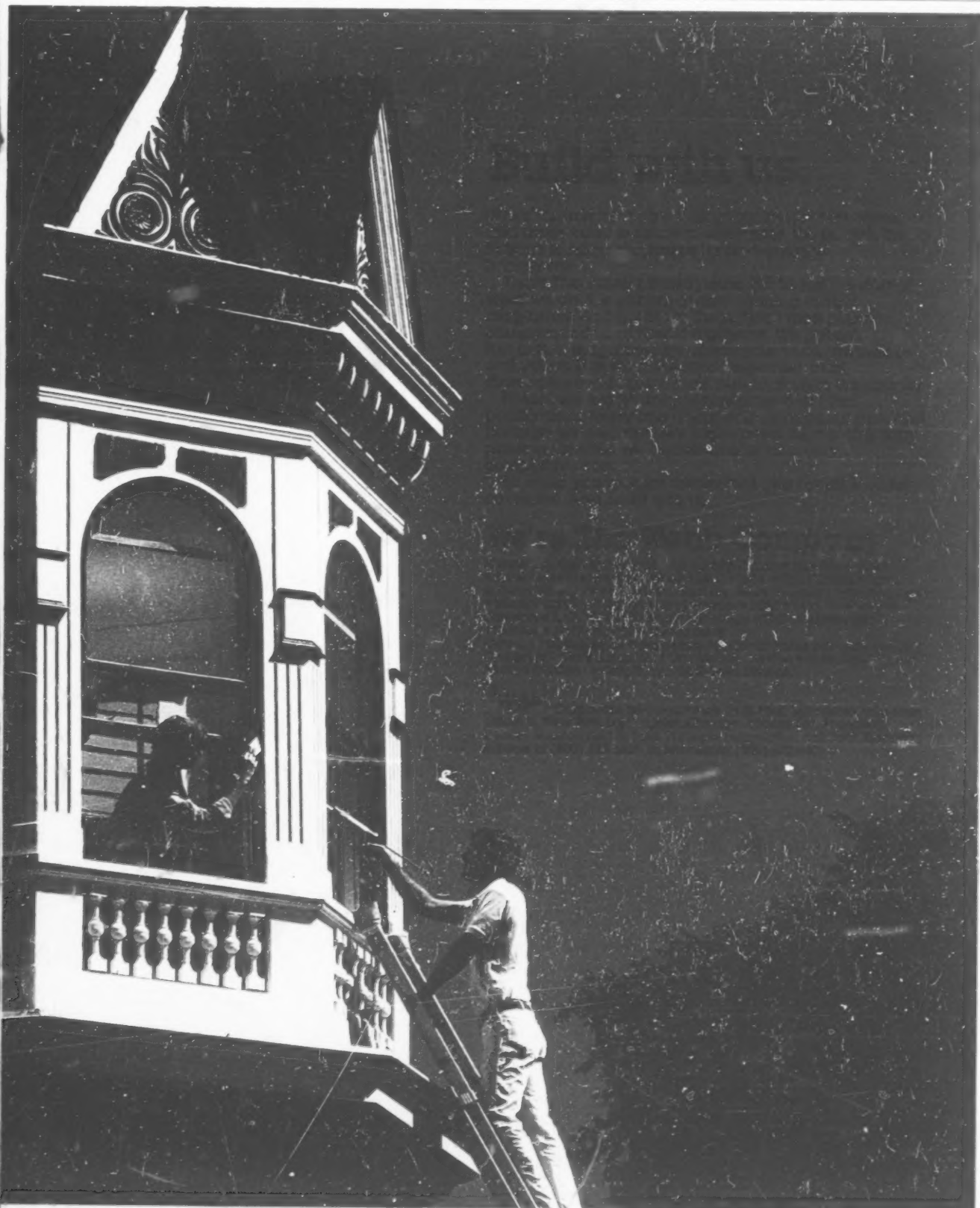
The ABC Radio division reported that the 1,800-plus affiliates carrying its four original networks—Contemporary, Information, Entertainment and FM, plus the newer Direction and Rock networks—attracted a combined audience of 87.8 million listeners weekly last year. The newest networks, Direction and Rock, now have 150 and 60 affiliates respectively, ABC said. The division's new TalkRadio program service has attracted 50 stations since its May startup.

ABC Radio Enterprises early last year acquired Watermark Inc., which syndicates the weekly "American Top 40" with Casey Kasem, "Musical," "American Country Countdown" and other musical shows.

ABC Radio, as it prepared to meet the intensifying competition in radio networks and satellite services, acknowledged that related startup costs depressed profits during 1982, despite an increase in division revenues. Profits last year also were offset by write-downs related to the termination of the syndicated Superadio project.

ABC's radio networks also are converting to digital transmission, a system that will become fully operational by mid-1984. Almost 700 affiliates so far have said they will purchase earth station equipment enabling them to receive ABC programming via satellite.

ABC's owned radio outlets reported higher ad sales last year, despite format changes at the flagship WABC, New York, and KGO-FM, San Francisco. Both switched to all-talk, including



the TalkRadio service. WABC was for many years the highest rated station in New York (and the U.S.) with a top 40 music format; today, few am stations in the U.S. offer rock music. ABC's WPLJ (fm), New York, claimed to be the most-listened-to fm rock station in the U.S. during 1982.

The still-young ABC Video Enterprises, consisting of non-broadcast video operations, continued to post substantial losses, although division executives pointed to growing acceptance among major advertisers.

In June, 1982, it began its third ad-supported cable service, Satellite News Channel, as a coventure with Group W Satellite Communications—and as a rival to the Cable News Network. Its two other cable services relying on advertiser support are Daytime and ARTS, both co-ventures with Hearst Corp. One coup for the Daytime women's service was the signing of Procter & Gamble as a program sponsor.

Still more projects are in the works at ABC Video: Telefirst (formerly Home View Network), due next year as a mixture of broadcast, pay tv and videocassette technology; Reserved Seat Video Productions (RSVP), a pay-per-view (ppv) sports coventure with Getty Oil and Entertainment Sports Programming Network, which began with a boxing package on May 20, and a pay-per-view project involving entertainment and information programming, with Cox Communications.

The RSVP event marked the first time a ppv program was sold to national advertisers. ESPN officials indicated that future RSVP specials also are likely to be boxing packages. The ABC/Cox project tested a 24-hour ppv movie service, called FirstTicket, in two California cities last fall "as the first phase of [this] joint venture's research," the company said.

Herb Granath, ABC Video Enterprises' president, admitted that his operation, which loses about \$10 million a quarter and which showed pretax losses of more than \$32 million last year, was a year behind "where we thought we would be, but we can still make our projections."

Should the government and courts uphold recent joint ventures between movie studios and pay cable services, he said, his division would move into that business as well. ABC was said to have been among those seeking an interest in Showtime, which later joined forces with The Movie Channel.

The ABC Publishing division, which publishes and distributes more than 100 special-interest publications, had "slightly" lower revenues last year, chiefly because of the phasing out of one unit early in 1982 and to a "recessionary slowdown" in advertiser activity. For the last three quarters the division's profits hit record levels.

ABC Publishing is divided into trade (including Chilton Co. and Hitchcock Publishing Co.), special interest (*Los Angeles*, *Modern Photography*, *McCall's Needlework & Crafts*), and agricultural (Miller Publishing and

Farm Progress Publications) publications.

ABC Publishing will also be involved in the 1984 Olympics, publishing an official guide for the summer games.

Recent management changes were highlighted by Mr. Pierce's advancing to the corporation's presidency from executive vp. In succeeding Elton Rule, now ABC vice-chairman, Mr. Pierce is the heir-apparent to Leonard Goldenson, 77, ABC chairman and chief executive officer.

Mr. Severino last fall became the ABC Television president and shortly thereafter named Mark Mandala as president of the owned tv stations division, replacing Richard O'Leary, who resigned. Arthur I. Cohen was named president of Telefirst.

MEDIA PROPERTIES

Broadcasting

TELEVISION: ABC-TV Network (210 affiliates). ABC-owned stations: KABC, Los Angeles; KGO, San Francisco; WLS, Chicago; WXYZ, Detroit; WABC, New York.

RADIO: ABC Radio Networks (1,800-plus affiliates). ABC-owned stations: WABC (am) and WPLJ (fm), New York; WLS (am, fm), Chicago; KABC (am) and KLOS (fm), Los Angeles; KGO (am) and KSFY (fm), San Francisco; WXYZ (am) and WRIF (fm), Detroit; KSRR (fm), Houston; WMAL (am) and WRQX (fm), Washington.

Cable/video

ABC Video Enterprises and various co-ventures with Hearst Corp., Group W Satellite Communications, ESPN/Getty and Cox Communications.

Magazines

ABC Publishing (special interest group)—*High Fidelity*, *Los Angeles*, *McCall's Needlework & Crafts*, *Modern Photography*. ABC Publishing (trade group)—Ames Publishing: *Industrial Distributor News*, *Industrial Maintenance & Plant Operations*, *Industrial Safety & Hygiene News*, *Industrial Safety Product News*. Chilton: *Accent*, *Automotive Industries*, *Automotive Marketing*, *Chilton's Control Equipment Master*, *Commercial Car Journal*, *Distribution*, *Electronic Component News*, *Food Engineering Master*, *Hardware Age*, *Instrument & Apparatus News*, *Instruments & Controls Systems*, *Iron Age*, *Jewelers' Circular-Keystone*, *Motor Age*, *Product Design & Development*, *Review of Optometry*, *The Specialist*, *Truck & Equipment Salesman*. Farm Progress Publications: *Prairie Farmer*, *Wallace Farmer*, *Wisconsin Agriculturalist*. Miller Publishing: *Dairy Herd Management*, *Farm Store*, *Merchandising*, *Feedlot Management*, *Feedstuffs*, *Hog Farm Management*, *Home & Garden Supply Merchandiser*, *Tack 'n' Togs*. Hitchcock Publishing: *Assembly Engineering*, *Industrial Finishing*, *Infosystems*, *Machine & Tool Blue Book*, *Office Products Dealer*, *Quality Woodworking & Furniture Digest*.

OTHER PROPERTIES

ABC Motion Pictures, ABC Scenic Attractions, ABC Entertainment Center, Chilton Research

Services, Chilton auto repair manuals, Word Inc., Farm Progress Insurance, Wallace-Homestead Book Co., NILES Publishing and National Price Service database services.

American Express Co.

American Express Co., New York, is the 52nd largest U.S. media company, with 1982 media revenues estimated by ADVERTISING AGE at \$175.8 million, or 2% of total revenues of \$8.09 billion.

Of Amex's media total, \$153.8 million came from its 50% partnership with Warner Communications in cable tv operations. In 1981, its media revenues were \$113.6 million, coming from magazines and its partnership with Warner Communications, or 2% of total revenues of \$7.29 billion.

As an entity, the joint venture generated \$307.6 million in revenues last year, while posting a net loss of \$46.6 million. The Warner Amex partnership consists of Warner Amex Cable Communications, which constructs and operates cable systems that provide entertainment programming and other services to residential and commercial subscribers, and a sister company, Warner Amex Satellite Entertainment Corp., which produces and distributes programming via satellite to cable systems throughout the country. Warner Amex increased both its cable and satellite programming operations throughout 1982 and into the first half of this year, with total revenues of the joint venture up 74% from 1980.

The company's media operations also included two magazines, *Travel & Leisure* and *Food & Wine*.

Warner Amex continued to experience subscriber growth in all sections of its operations, and there are now more than 1.2 million basic subscribers in the 147 Warner Amex cable systems, the nation's sixth-largest cable-tv operation. The venture also includes 1.1 million pay cable customers.

Recent developments featured the debut of Warner Amex regional sports channels in Houston, Pittsburgh and Dallas, which will provide cable viewers with exclusive live coverage of local professional and college sports teams.

Despite increased media revenues over-all in 1982, American Express found the substantial cost of building and development of new Warner Amex cable systems and the creation of new cable programming services resulted in a loss from its cable operations. The heavy investment to win cable franchises and to install systems is expected to total more than \$1 billion by 1985, but despite anticipated short-term losses and rumors of a possible dissolution of the venture, the company's annual report stated, "Potential application of cable television resources to our other operations and expected future profitability continue to make our participation attractive."

Nevertheless, the supposed

dissatisfaction over Warner Amex's heavy cable losses was held partly responsible for top-level executive changes at the parent American Express and in the joint venture.

Qube, Warner Amex's two-way cable tv, which offers 30 channels of news, movies, educational, civic and other programming by punching buttons on a console, continued to provide incentive for increased user participation and growth of the cable system. The year saw the introduction of a new Qube III home console, the BT-1300, which is only half the size of its predecessor and said to be the most advanced unit in use in interactive cable tv today.

Warner Amex Satellite Entertainment Co. (WASEC) currently distributes The Movie Channel, the first 24-hour premium service programming unedited feature films exclusively; MTV: Music Television, a 24-hour commercially-supported network offering contemporary music, and Nickelodeon, the only commercial-free network for children and young adults.

In a move designed to challenge the dominance of Time Inc.'s Home Box Office cable unit (HBO), WASEC acted to merge its Movie Channel, the third-largest pay cable network, with Showtime, the second-largest. The move would unite WASEC with three large movie studios and two other companies, a joint venture that would have about 6.3 million viewers, compared with HBO's 11 million, and about 31.5% of the total market of 20 million pay subscribers, compared with about 57% for HBO.

During 1982, the revenues of American Express Publishing Corp.'s two magazines continued to grow, with *Food & Wine* producing the biggest increase. Ad revenues for that magazine, according to Publishers Information Bureau, were \$2.6 million, up 62% over 1981. Ad pages for 1982 totaled 413, a 24% increase over the previous year. About 80% of the magazine's subscribers are American Express card members.

Travel & Leisure recorded 1,116 ad pages for 1982, down about 4% from year-earlier figures. However, ad dollars for the year hit a record \$20.7 million, a 9.7% increase over 1981. The magazine has an advertising rate base of 925,000, of which about 92% are American Express card members.

Since acquiring the magazine in September, 1980, the advertising rate base of *Food & Wine* has increased a total of 150%. The rate base jumped from 300,000 to 400,000 for a 33% boost last October, and to 500,000, 25% increase, this spring.

Food & Wine continues to offer regional breakouts. The eastern edition has a circulation rate base of 135,000, and the western edition is 100,000. For the first six months of fiscal '83, the magazine posted an increase of 62 pages over the same period last year, an increase of 42%. Life Styles Impact Plan, or LIP, allows advertisers to purchase space in both magazines, either in national editions or regionals.

Together, the two magazines are estimated to have contributed more than \$23 million to Amex's total media revenues in 1982.

MEDIA PROPERTIES

Cable tv/video

As part of 50-50 partnership in Warner Amex Cable Communications, Amex has interests in 147 cable systems in 27 states, with more than 1.2 million basic cable subscribers and 1.1 million pay cable customers (see Warner Communications profile). Also, joint venturer in Warner Amex Satellite Entertainment Co., which supplies and distributes two advertiser-supported services, Nickelodeon and MTV: Music Television, and one pay service, the Movie Channel.

Magazines

Travel & Leisure, *Food & Wine*. American Express Publishing.

OTHER OPERATIONS

Merchandise Sales, Mitchell Beazley Ltd., American Express Direct Response, Shearson American Express, WATS Marketing of America (affiliate company).

Army Times Publishing Co.

Army Times Publishing Co., Washington, is the country's 96th largest media company, with 1982 media property revenues are estimated by ADVERTISING AGE at \$73.7 million, or 70% of total estimated revenues of \$104.2 million.

In 1981, the privately held company had media revenues of \$63.3 million, or 67% of total revenues of \$94.4 million.

Nonmedia properties comprise commercial printing and periodical subscription sales via telephone. Army Times reports that the first quarter of 1983 is already shaping up better than the year before.

Journal Newspapers, a five-paper chain in its second year of converting from all weeklies to five-day-a-week publications, continues to operate in the red. "The short-term objective of our company is to get the *Journals* on the route to profitability," Henry L. Belber, executive vp, said. Audit Bureau of Circulations for the six-month period ending March 31 places the *Journals'* total circulation at 136,000, while the over-all profitability picture is improving for all five papers, Mr. Belber said.

The circulation of the military *Army Times*, *Navy Times* and *Air Force Times*, continues steady at 330,000. *Federal Times*, another paper in the group, attained a circulation of 40,000.

In addition to publishing and printing its own newspapers, as well as its own *Times Magazine* supplement and *Military Market*, a trade publication, Army Times' printing division rolls out the Washington/Baltimore editions of Gannett Co.'s national daily, *USA Today*. The press run is estimated at 50,000 copies.

Rupert Murdoch's national tabloid, *The Star*, rolls off Army Times' presses, and as of January, 1983, 700,000 weekly copies of *Times Mirror Co.'s*

Sporting News are being printed. Army Times also prints weekly newspaper supplements for clients including the *Washington Post's* tv magazine and a supplement for Safeway supermarkets.

To accommodate the 7 million-plus copies the company expects to print weekly in 1983, Army Times is enlarging its production plant in Springfield, Va. This is part of an over-all project that will consolidate Army Times' newspaper operations. Administrative headquarters, currently located in Washington, D.C., will be housed in a new three-story office building going up next to the printing plant. The management of Army Times' Telephone Marketing Co. also will move to the new ad-

dress. Only the *Montgomery Journal* and *Prince Georges Journal* will remain at their present facilities in Rockville and Lenham, Md., respectively.

The enlarged printing facility will become operative this October, while the office building will open in mid-December. The consolidation effort meets the company's administrative objectives. "It's easier to manage an entire company if everything is together," Mr. Belber explains.

A new administrative position, vp-administration, was created this past year. Caroline Lee, former vp-administration for Channel 13, WNET-TV, the public television station in New York, now holds the same title at Army Times.

Army Times is currently test-

ing some teletext activity in Virginia on a small scale; this may lead to a limited role for the company in cable.

MEDIA PROPERTIES

Magazines

Times Magazine (supplement to the military papers), *Military Market* (trade magazine).

Newspapers (dailies)

MARYLAND: *Montgomery Journal*, *Prince Georges Journal*. VIRGINIA: *Alexandria Journal*, *Arlington Journal*, *Fairfax Journal*.

Newspapers (nondailies)

NATIONAL: *Air Force Times*, *Army Times*, *Federal Times*, *Navy Times*.

OTHER OPERATIONS

Army Times Telephone Market-

ing Co., Journal Newspapers printing division.

A.H. Belo Corp.

A.H. Belo Corp., Dallas, publisher of the *Dallas Morning News*, is the nation's 47th largest media company, with media property revenues of \$203.2 million.

Of that, \$134.6 million, or 66%, came from newspaper publishing, and \$68.6 million, or 34%, came from radio and tv broadcasting. Revenues were up 12.3% from \$182.2 million in 1981.

Belo's earnings from newspaper publishing in 1982 were \$16.1 million, down from \$16.4 million in 1981, and earnings

from tv and radio broadcasting were \$27.1 million, up from \$22.7 million the year before.

Total advertising revenues of the *Dallas Morning News* were \$116.9 million in 1982, an increase of 14.2% over 1981. Revenue increases were the result of higher ad rates as well as additional ad linage. The *Dallas Morning News* increased its share of the full-run advertising market in 1982 to 53.6%, up from 53.0% in 1981, and extended its lead in the first quarter of 1983 to 55.5%.

Circulation revenues at the *Dallas Morning News* rose to \$11.4 million in 1982, up 4.7% from \$10.9 million in 1981. According to Audit Bureau of Circulations reports through March 31, 1983, the *News* gained more than 25,000 in Sunday circulation. Total Sunday circulation for the *News* was reported at 406,893, compared to 360,639 for the competing *Times Herald* (Times Mirror Corp.). The *News* also widened its daily lead in total circulation over the *Times Herald*, reporting 328,332 compared with 272,870 for the *Times Herald*. The *Times Herald*, however, led the *News* in circulation for Dallas County by 4,936 daily and by 22,549 Sunday.

The *Dallas Morning News* ranked second in the U.S. in classified advertising in 1982, third in total advertising and third in retail advertising.

Total revenues for WFAA-TV, Dallas, Belo's chief broadcast media property, were \$49.1 million, up 15% over 1981, representing more than 70% of total revenues from all Belo Broadcast properties.

In late 1982, Belo acquired Selective Media Services, a small direct marketing and distribution company that distributes national weekly news magazines and advertising circulars door to door in select upscale areas of Dallas.

Belo announced plans to construct a satellite *Dallas Morning News* production facility in suburban Plano that would increase press capacity by about 50%. It is to be completed by 1985 at a cost of \$57 million.

Also, the *News* formed the Independent Press Service with Newhouse News Service, the *London Telegraph*, the *Baltimore Sun*, the *Boston Globe* and the *Chicago Sun-Times* to supply news coverage to more than 140 newspapers in the U.S. and more than 100 in Western Europe.

In May, Belo and General Electric Broadcasting signed a definitive agreement for Belo's purchase of radio stations KOA (am) and KOAQ (fm) in Denver for \$22 million. Belo had also negotiated for the acquisition of WVUE-TV in New Orleans from Dallas-based Gaylord Broadcasting Co., a subsidiary of Oklahoma Publishing Co., but discussions were terminated in May when the two companies failed to reach a definite purchase agreement.

The *News* began including *Parade* magazine in its Sunday newspaper package beginning Jan. 3, 1982, and subsequently introduced improvements in its own Sunday magazine, renamed

SIX MONTHS AGO, EVEN OUR COMPETITION SAID BOSTON SHOULD BE A TWO-NEWSPAPER TOWN.

TODAY, THEY'RE NOT SO SURE.

Today, the *Boston Herald* has a circulation of over 300,000.*

A lot of people are amazed—but we're not. After all, we've given people a lot of very good reasons to read the *Herald*—even if they had never read it before.

We improved our whole editorial package and attracted more upscale, educated, professional readers than ever before. We reintroduced the stock market tables, improved our

211,930



sports coverage, added comics and new graphics.

We launched WINGO and other promotions, designed new trucks and paper racks and made the *Herald* more visible than it's ever been.

All of this has our competition keeping a close eye on what we're doing. Because while they knew we had nowhere to go but up, they're a little worried about how far up we're planning to go.

For more information, contact Ed Ferdenzi, National Sales Manager, at 617-426-3000.

The Boston Herald

*Average daily ABC circulation from 3/28/83 through 5/22/83 is 311,775. Subject to audit.

Dallas Life.

The addition of *Parade* at the *News* brought that weekly magazine back into the Dallas market after a year's absence. It had previously been distributed in the *Times Herald*.

Significant personnel changes at the company in 1982 included Joe M. Dealey's resignation as chief executive officer; he was succeeded by James M. Moroney Jr. Mr. Dealey continues as chairman, and Mr. Moroney continues as president and chief operating officer. John A. Rector Jr., formerly executive vp at the *News*, succeeded Mr. Moroney as president of the *News*. James P. Sheehan joined Belo as senior vp-chief financial officer. Jeremy Halbreich was named senior vp at the *News*, Harry Stanley was promoted to senior vp at the *News* from vp-advertising, and Burl Osborne was promoted to editor and senior vp from executive editor. Also, James Keeley was named vp-operations at the *News*, moving from Knight-Ridder Newspapers in Miami.

MEDIA PROPERTIES**Broadcasting**

TELEVISION: WFAA, Dallas and KFDM, Beaumont, Tex.; WTVC, Chattanooga, Tenn. RADIO: WFAA (am) and KZEW (fm), Dallas.

Cable/video

Queen City Telecommunications, Clarksville, Tenn.

Newspapers

TEXAS: *Dallas Morning News*. Also, area community dailies published by Belo's News-Texan: *Arlington Daily News*, *Garland Daily News*, *Grand Prairie Daily News*, *Irving Daily News*, *Mid-Cities Daily News*, *Richardson Daily News*, *Suburban News*.

OTHER OPERATIONS

Publishes the "Texas Almanac."

Bergen Evening Record Corp.

Bergen Evening Record Corp., Hackensack, N.J., is the nation's 89th largest media company, with 1982 media revenues totaling \$86.1 million, or nearly all of the company's total revenues of \$87.3 million.

The family-owned company's media revenues last year were \$79.3 million out of total revenues of \$80.4 million.

Circulation and advertising from the *Record*, the largest evening newspaper in New Jersey, and from the *Ocean County Reporter*, a semiweekly, totaled \$66 million, a jump of almost \$5 million from the previous year.

The *Reporter*, based in Toms River, N.J., was sold in January to Capital Cities Communications.

The company's broadcasting arm, Gateway Communications, which operates four tv stations, reached the \$20 million revenue mark, up from \$18 million in 1981.

Pretax earnings from media operations totaled \$14 million, up about \$700,000 from the year-earlier figures.

The company, owned by chairman Malcolm A. Borg and family trusts, projects revenues for 1983 of about \$92 million.

In what company officials say was a "year of transition," 1982 was highlighted by the *Record's* unveiling of the cornerstone of its \$62 million modernization project—conversion to high-speed, full-color offset presses. The paper thus became the first full-color daily in the New York metropolitan market.

With other new equipment, including a Ferag inserting/handling system, the *Record* has achieved what Mr. Borg termed "state-of-the-art" production.

An overnight switch from the old presses to the \$23 million Japanese-manufactured machinery proved troublesome initially, prompting the *Record's* president and chief operating officer, Michael H. Heath, to say "We should have done more training."

The increase in color advertising in an area where shopping malls dot the map has been dramatic. In five months in 1982, with reduced prices for color offered to advertisers, the *Record* published more than 2.4 million lines of spot color and full-color ads. Figures for the first three months of 1983 show the *Record* has printed an additional 429 ads and more than 400,000 lines of color material.

Editorial color also has been added with revenues reaped from the ad sales.

"The paper looks prettier and more vital with full color," said Frank J. Savino, vp-marketing. "It appears to be having an impact on circulation and it's definitely bringing in results."

When the *New York Daily News* was threatened with closing last year, the *Record* admitted it would be ready to start a morning tabloid in the event of the *News's* demise.

The Hackensack-based *Record* did launch an "early edition," touted as a marketing experiment, that is averaging single copy sales of between 1,200 and 1,500.

Current circulation for 1982, listed by Audit Bureau of Circulations at 149,853, up a fraction over a year ago. The Sunday *Record* has a circulation of 221,409, up 3.1% from the previous year.

Courtesy of the new printing capabilities, the Sunday product was increased to 10 broadsheet sections while new sections also were added to the daily editions.

Company officials credit the combination of early edition, added color and new sections to a rise in circulation thus far in 1983.

The company continues to study the possibility of venturing into the cable tv arena and of producing commercials and films for profit. Space for studio facilities has been allocated at the *Record's* plant.

The corporation also is awaiting word of results of its involvement in the CBS/AT&T videotex venture, for which the *Record* provided news. In an address at a Rutgers University workshop last fall, Mr. Heath reportedly said the test generated little interest because "people have better things to do at night than retrieving information they can find in the newspaper."

Gateway Communications, the Bergen broadcasting arm,

wants to grow. "We're looking for a property that fits with the four [stations] we have," said George A. Koehler, Gateway president.

Gateway now is completing plans for a new \$4-million facility for WOWK-TV, its Huntington, W. Va., station.

MEDIA PROPERTIES**Broadcasting**

TELEVISION: WBNG, Binghamton, N.Y.; WLYH, Harrisburg/York/Lancaster/Lebanon, Pa.; WOWK, Charleston-Huntington, W. Va.; WTAJ, Johnstown-Altoona, Pa.

Newspapers

NEW JERSEY: *The Record* (Hackensack).

Blade Co.

Blade Co., Toledo, O., is the nation's 62nd largest media company, with 1982 revenues estimated by ADVERTISING AGE at \$141.4 million, all from media operations.

The privately owned newspaper, broadcast and cable company had estimated revenues of \$122.6 million in 1981.

The daily *Toledo Blade* newspaper suffered circulation declines during the week but picked up Sunday circulation. The paper has been hurt by the steep recession in heavy industries like autos and steel.

"We are looking at 1983 with some modest enthusiasm," says John Harms, new president of the Blade Co., a former *Detroit News* executive, who joined the company in January.

In September, 1982, the company sold the *Redbank Register*, Shrewsbury, N.J., to Capital Cities Communications "because it no longer fit into our long-term corporate objectives," says William Block Jr., assistant to the president and son of co-owner William Block. Paul Block Jr., Mr. Block Sr.'s brother, is the other owner.

The company is "not aggressively seeking any new properties at this time," Mr. Harms says, adding "we are involved in maximizing the opportunities we have."

One of those opportunities is cable tv operations. "We're going through tremendous growth," said John Karl, president of the subsidiary Buckeye Cablevision in the Toledo area. "We've grown to 81,000 subscribers (up from 72,000 last year) with 33,000 taking pay services." The 60-channel system passes 150,000 homes and Mr. Karl credits "aggressive" marketing via multimedia as well as door-to-door solicitation with the high connect rate.

The Erie County cable is expanding to a 54 addressable channel system from 20. Subscriber growth lags behind Buckeye, but it's up to 14,500 subscribers out of 22,000 homes passed. The Monroe, Mich., cable operation is up to 5,000 homes out of 8,500 passed, with revenues jumping as additional pay services are phased in with a 54 channel capacity. The *Blade* is also experimenting with two-way cable primarily for home banking and security systems, Mr. Karl said. "We're not terribly

excited about the home shopping idea," he said.

Buckeye is running a two-channel operation for *Toledo Blade* news—financial and sports interspersed with ads. All the cable systems are in the black.

The newspaper itself changed to a different system of press plate-making but still is operated on the letterpress method. There are no plans to move from afternoon delivery for the daily.

The *Monterey Peninsula Herald*, in California, fared better economically than the *Blade* but the effects of the recession are being felt there as well, Mr. Harms said. "It's been working hard to maintain its own, so to speak," he said.

MEDIA PROPERTIES**Broadcast**

TELEVISION: WLFI, Lafayette, Ind.; WLIO, Lima, O. RADIO: WTKN (am) and 3Ws (fm), Pittsburgh.

Cable/video

OHIO: Buckeye Cablevision, serving Lucas, Maumee, Monticello, Perrysburg, Sylvania, Sylvania Township, Toledo, Washington Township, Wood County; Erie County Cablevision, serving Sandusky. MICHIGAN: Monroe Cablevision, serving Monroe.

Newspapers (dailies)

CALIFORNIA: *Monterey Peninsula Herald*. OHIO: *Toledo Blade*. PENNSYLVANIA: *Pittsburgh Post-Gazette*.

CBS Inc.

CBS Inc., New York, is the second largest media company in the U.S., with revenues of \$2.45 billion from media operations in 1982, up from \$2.18 billion in 1981. Tv and radio broadcasting accounted for \$2.16 billion in revenues, and publishing \$290 million.

Total operating revenues for 1982 were \$4.12 billion, a 4.2% increase over the previous year's \$3.95 billion. Net income was \$112.5 million, compared with \$162.8 million in 1981.

Operating income dropped from \$202.2 million in 1981 to \$150.0 million.

Revenues for the CBS broadcast group increased at about 13%, and CBS publishing group revenues increased modestly. However, the CBS records group revenues dropped for the third consecutive year. CBS Columbia group revenues increased last year following the acquisition in August, 1982 of the Ideal Toy Corp.

Net income in 1982 was adversely affected by CBS Cable, an advertiser-supported cable programming service, and the specialty stores division, which operated retail outlets selling home entertainment products. CBS Cable was discontinued and the specialty stores were sold.

In 1983, CBS entered a new era as chairman William S. Paley, who founded the company, retired in April. Thomas Wyman replaced Mr. Paley as chairman, although Mr. Paley retained his office at CBS, and many observers believe his influence on management will still be

felt in the future.

Further, the broadcast group has been lobbying heavily for repeal of the Federal Communications Commission's financial interest and domestic syndication rule that currently prohibits any of the three tv networks from syndicating programs they do not produce themselves. If the rule is repealed, CBS-TV, as well as its two rival networks, could become involved in the lucrative \$800 million domestic syndication business. Opponents of the repeal, however, argue that the networks, if allowed back into domestic syndication, could "warehouse" the most desirable tv syndication properties and deny competing independent stations fair access to those programs. All three networks have denied both the intent and the possibility of warehousing programming.

CBS-TV network enters the fall 1983-1984 broadcast season having won its fourth straight audience ratings battle, narrowly defeating ABC-TV.

The hit series "M*A*S*H" had its final original episode aired in March. The 2½-hour concluding episode was an advertising sell-out, with 30-second commercials costing between \$350,000 and \$400,000.

Even without "M*A*S*H" in its lineup, CBS returns next fall with the most powerful house series of any of the three networks, including "Magnum, P.I.," "Dallas" and "60 Minutes." Of the three networks, CBS made the fewest changes for the fall to its existing program schedule.

The shuttering of CBS Cable, the \$30 million failure that featured primarily arts programming, attracted the most media attention for the company in 1982, with predictions that cable tv may no longer be all its proponents had predicted.

Perhaps the single most controversial step CBS took last year was its elimination of guarantees to advertisers for delivering particular demographic audiences in prime time. As a result, CBS sold the least time of any network in the upfront market.

The CBS strategy was to sell less upfront, and have more inventory left to sell in the scatter market when prices were generally higher.

The strategy appeared to backfire when the scatter market in the first two quarters in 1983 failed to materialize as expected. The softness of the scatter market was covered up in large part during the third quarter of 1982 when the Players' Association of the National Football League staged a 57-day walk-out and diverted football ad dollars into the scatter market. When football was resumed and the season completed, the scatter market remained weak.

CBS last December promoted its network sales chief of five years, Paul Isacson, to head up its cable and new technologies new ventures group, Cable/CBG Broadcast, and named Jerry Dominus as vp-sales. At the same time, Tony C. Malara was promoted from general manager of the network to president.

Mr. Wyman described the CBS corporate strategy to the

WBBM's big shoulders strengthen CBS

By Eileen Norris

Somehow, what with the front door in perpetual swing at CBS's crowning jewel, WBBM-TV in Chicago, you can't help but think the station's call letters really stand for Winners Born, Bred and Matured here.

Since 1979, WBBM-TV has been No. 1 in Chicago, and the station shows no signs of making way for its competition. But it is also the major showplace for the starry-eyed who beckon the big time. In the last 10 years, WBBM-TV has been the sojourn point—the step-away-from—for more than a dozen of the network's top people, leading some to say CBS's management flow chart must be penned in erasable ink.

There are the well known success stories like Van Gordon Sauter, now president of CBS News and once news director at WBBM. And Ed Joyce, his No. 2 man, who once was vp-general manager at the Chicago CBS affiliate.

But there are others like Bob Ferrante, now executive producer of the "CBS Morning News" and Jay Feldman, vp-general manager of WCAU-TV, the CBS-owned affiliate in Philadelphia. Both men were news directors at WBBM-TV before making their ascension.

And there's Peter Temple, once director of financial planning for WBBM and now vp-finance for CTS, CBS owned tv stations division. And there is Jim Joyella, who moved up to become vp-marketing services at CBS from director of local sales at WBBM.

Indeed, of the five CBS owned stations in New York, Los Angeles, Chicago, Philadelphia and St. Louis, all but one of those general manager's has flexed his creative muscle at WBBM-TV along the way.

Even Neil Derrough, presi-

Eileen Norris is a free lance writer in Chicago.

dent-CTS, was himself vp-general manager of Channel 2 in Chicago from 1974 to 1977, a time when the station wasn't the best. So what does he say about this powerful "ace" station that churns out the talent at CBS?

Mr. Derrough thankfully



Ober: Chicago is a good serious news town.

doesn't discount that Chicago is a highly lucrative city to practice journalism. "It's a legendary news town, but WBBM has gained recognition because it has a lot of good, solid people. Everybody wins there, those who go on and those who stay," he says, making a point of the on-air types who have stayed, including salty political commentator Walter Jacobson and movie critic Gene Siskel. Both have seen many general managers come and go.

"WBBM, by all measures, is the best station in the country," Mr. Derrough adds. "You don't just catch that station losing its poise. They pay attention to what is going on around them."

"The opportunity to run a station this good is awesome," says Eric Ober, WBBM's vp-general manager since January. Mr. Ober is back at WBBM, having been news director there from 1971 until 1981, when he was shifted to fill two other CBS jobs in New York.

"Chicago is a good serious news town and our competition

[WLS-TV, the ABC affiliate, and WMAQ-TV, the NBC local] covers the news pretty well," he says noting that all three tv stations compete with the *Chicago Tribune* and *Sun-Times* on breaking news stories.

But when it comes to Nielsen ratings, WBBM-TV's newscasts have it all over the other two stations. (For the 10 p.m. news slot in March, for example, WBBM had a 30 share, compared with WLS's 22 and WMAQ's 19.)

WBBM's news and documentary award listings take up six typewritten pages—and that's just for 1982 and 1983.

The winning streak doesn't appear to be slowing either. Sure, WBBM-TV may have lost anchor Bill Kurtis to the "CBS Morning News." On the other hand, it gained one of the most well known investigative reporters in Chicago for its news staff: Pamela Zekman. She quit the *Sun-Times* to head an investigative unit at WBBM and recently walked away with a prestigious Peabody Award for a series called "Killing Crime." The report detailed how the Chicago Police Department wiped off as "unfounded" more than 40% of the robberies, burglaries and rapes from the police blotter, apparently to bolster the city's image.

Even the two daily newspapers swallowed their pride to editorialize about Channel 2's findings, which have since been substantiated by an FBI analysis.

The consistent pattern of management traffic hasn't seemed to alter what the station produces, partially, says Mr. Ober, because most people don't sit around and look to the network for a promotion.

"On-air people might see us as the best local news station they can work at or maybe as a stepping stone to the network, but I wouldn't want a hired gun to work here or someone that planned to 'use' us," says Mr. Ober. "Most come here to stay."

Every general manager has brought something different—and much needed—to WBBM, says Mr. Derrough, who is Mr. Ober's boss. "I'd like nothing better than for our other stations to aspire to what WBBM has achieved," he adds.



Derrough: No magic formula for picking people.

The people who are pegged to move into management or to the network are usually generalists who display a broad range of talent, says Mr. Derrough. "There is no magic formula that CBS has for picking and moving people into executive or managerial positions," he adds.

For WBBM-TV's newest general manager, whose strongest background is news, it will be "knowing when to shut up and when to give an opinion," says Mr. Ober.

"I came here as a student in the areas like programing, sales and promotion, but at a staff meeting the other morning I talked about sales for 10 minutes and I actually sounded like I knew what I was talking about. And I did," he jokes.

His job, says CTS boss Mr. Derrough, is to take a long hard look at what the station is doing and make it even better.

"Unless I screw up, I expect to be here a number of years," says Mr. Ober, sounding very much like an executive who will be kicked upstairs—again. **AA**

lengthened their local newscasts in early evenings.

The CBS radio division last year launched a new radio network, *RADIORADIO*, and by February, 1983, the new young adult programing service had signed 113 affiliated stations. CBS-owned fm radio stations had record sales and profits, primarily because of the changes in programing formats at five of the seven stations that led to a 27% increase in listeners. CBS am radio stations had record revenues in 1982, relying predominantly on all news and news/talk/sports formats.

CBS publishing group had a modest gain in revenues while profits declined from \$43.1 million in 1981 to \$38.0 million last year. The educational and professional publishing divisions enjoyed record sales and profits despite a difficult marketplace, while the consumer publishing division showed a decline in profits.

In 1982, CBS consumer publishing acquired *Cuisine*, a monthly magazine with a circulation of about 750,000. *Woman's Day*, the company's flagship consumer publication, increased its ad revenues in 1982. *Field & Stream* also increased in circulation and advertising revenues, but *Mechanix Illustrated* saw ad revenues decline.

Audio magazine also showed revenue declines, while *Cycle World* ad sales were flat, and revenue gains were posted for *World Tennis*, *Road & Track* and *American Photographer*.

The consumer publishing division last year established a sales network for its magazines, offering advertisers combination packages with all of the company's titles. The company also explored video extensions of its publications, including production of a cable tv show, "Woman's Day USA," which plays on the USA Cable Network.

MEDIA PROPERTIES

Broadcasting

TELEVISION: CBS Television Network, network-owned stations—KNXT, Los Angeles; WBBM, Chicago; KMOX, St. Louis; WCBS, New York; WCAU, Philadelphia.

RADIO: CBS Radio Network, *RADIORADIO*, network-owned stations—KNX (am, fm), Los Angeles; KCBS (am), KRQR (fm), San Francisco; WBBM (am, fm), Chicago; WEEI (am, fm), Boston; KMOX (am, fm), St. Louis; WCBS (am, fm), New York; WCAU (am, fm), Philadelphia.

Cable/video

CBS/Black Hawk Cable Communications, a cable franchise in the Dallas/Fort Worth area; CBS/Fox Co., home video; Extravision, national teletext service; Tri-Star Studios, co-venture production studio for pay cable; Venture One, videotex experiment with American Telephone & Telegraph.

Magazines

American Photographer, *Audio*, *Cuisine*, *Cycle World*, *Family Weekly*, *Field & Stream*, *Mechanix Illustrated*, *Road & Track*, *Woman's Day*, *World Tennis*.

company's shareholders as two-pronged: To build on its base in broadcasting and to pursue potentially profitable enterprises in the emerging communications technologies.

Primarily through joint ventures, CBS has entered into ventures in the fields of videotex, teletext, multipoint distribution services, theatrical film production, videogame development and distribution, computer software marketing and video and computer extensions of its publishing concerns.

In 1982, two new businesses were started: CBS/Fox Video, a joint venture with 20th Century Fox, and Tri-Star Studios, a tri-party venture with CBS, Columbia Pictures and Home Box Office to produce feature films for distribution to the pay cable service and theatrical movie houses.

The tv network, however, con-

tinues to be the cornerstone of CBS's broadcast operations. CBS-TV Network last year had seven of the top ten rated series on its network, including the highest rated show, "60 Minutes." The network performed particularly well with its mini-series "The Blue and the Gray" and "The Royal Romance of Charles and Diana," as well as with blockbuster theatrical films such as "Private Benjamin" and "Rocky II." CBS also made gains in daytime ratings, although it still placed second to ABC.

In sports, CBS added National Collegiate Athletic Assn. football in 1982, although the future of that contract is uncertain because of a U.S. Appellate Court decision to uphold a lower court ruling granting colleges the right to make individual contracts for the sale of broadcast and syndication rights to their football games. Pending

further appeal by the NCAA, the court ruling could nullify the CBS, ABC and Turner Broadcasting System broadcast contracts with the NCAA.

This year, however, CBS Sports should benefit from a full professional football season. In addition, CBS next year will broadcast six major golf tournaments previously aired by NBC. CBS will also continue broadcasts of the Masters Golf tournament, the U.S. Open Tennis Championships, the Belmont Stakes, the Daytona 500, the National Basketball Assn. regular season and championship games and the Professional Golfers Assn. tour.

CBS News continued to rank first in audience ratings, even after Walter Cronkite ceded the anchor position to Dan Rather. At the same time, however, the CBS News staff was cut back in an economy move.

In February, 1982, CBS expanded its "Morning News" to two hours and named Bill Kurtis and Diane Sawyer as co-anchors, replacing Charles Kuralt. Last October, CBS launched "CBS Early Morning News" to run preceding the "Morning News." At the same time, CBS introduced "Nightwatch," an all-night news broadcast.

Earlier this month in a highly publicized case in California, CBS-TV, "60 Minutes" and anchor Dan Rather were cleared of slander charges brought by a doctor who sued for \$30 million after a segment of the program had linked him to insurance fraud.

The CBS tv stations division had a record year for revenues and profits for the CBS-owned stations in New York, Los Angeles, Chicago, Philadelphia and St. Louis. The stations also expanded local news coverage and

Cuisine feeds on epicurean elite

By Abbe Wichman

By her own admission, Anne Sutherland Fuchs, publisher of *Cuisine*, epitomizes her magazine's audience.

She works days that run from breakfast to dinner meetings, travels extensively, is renovating an apartment and is enjoying a 1½-year-old marriage. While all of the above aren't *Cuisine* readership criteria, the magazine's adherents have, says Mrs. Fuchs, "the power to say what they want and the money to acquire it."

How fast we forget; it was a little more than a year ago that *Cuisine* itself had neither power or money. Acquired by CBS Inc. in April, 1982, the magazine has undergone a stunning rejuvenation. In February of this year the company underscored its commitment by bringing the rate base back up to 750,000 after it had been lowered to 725,000. CBS raised the subscription and cover prices, and began using a

Abbe Wichman is a New York-based writer.

higher quality paper stock. And in June the magazine will have its biggest issue in history.

The February turnabout was



Anne Sutherland Fuchs:
The bandages are off.

accomplished six months after Mrs. Fuchs came on board. She started her publishing career in the advertising department at the *New York Times* and went on to three varied positions at the Charter Publishing Co. Although Mrs. Fuchs didn't neces-

sarily see herself moving into the "epicurean" field, she says that if one had to create a life style magazine of today, it would deal with food. "People are constantly asking each other, 'Where did you go, what did you eat?'... There is a great thirst for knowledge of food and wine." This month, CBS named Hugh Johnson, author of "The World Atlas of Wine," which has sold 1.5 million copies, as the magazine's new wine editor.

Comparing her readers to theater buffs, Mrs. Fuchs says, "We want a market where people make the time, and insist on living well every day." She believes people are growing more interested in sharing their home environment, as "an extension of their lives."

To catch up with this "affluent market with those very attractive flexible dollars," Mrs. Fuchs has some definite ideas. "We set out to evolve the magazine, not to revolutionize it," she explains. *Cuisine's* subtitle, "The Magazine Of Fine Food And Gracious Living," should speak for itself, she says.

"Our goal was to establish the product first, then get the audience, and then go to the advertisers," Mrs. Fuchs says. "We knew advertisers were going to be hesitant after the magazine's problems, so we wanted to be able to reassure them that the bandages were off."

Mrs. Fuchs contends that advertisers should find *Cuisine* to be attractive because the publication functions as a reference guide. "When we print a recipe or visit a destination, we want to be printing the definitive piece," she says. And speaking even more confidently Mrs. Fuchs adds, "There's only one standard, and we're aiming to set it."

Looking at the magazine field as a whole, and discussing the problems of *Cuisine's* original management, Mrs. Fuchs notes, "It's not uncommon what happened at the magazine, the chance for entrepreneurial investments in this field is limited." But right now, operating from an "environment of strength," Mrs. Fuchs says, "We're in magazine utopia."

Medicine, Hotels & Restaurants International, Foodservice Equipment Specialist, Journal of Cardiovascular Medicine, Mini-Micro Systems, Modern Materials Handling, Modern Railroads, Package Engineering, Plastics World, Professional Builder/Apartment Business, Purchasing, Restaurants & Institutions, Security Distributing & Marketing, Security World, Semiconductor International, Specifying Engineer, Traffic Management, Transition/Medicine and the Aging Process.

Newsletters

Buying Strategy Forecast, Chain Marketing & Management, Early Warning Forecast, Hazardous Materials Transportation, Oil Spill Intelligence Report, Plastics Business News, Recruiting Engineers and Computer Professionals, Tradeshow Week, Transport (De)Regulation Report.

Capital Cities Communications

Capital Cities Communications, New York, is the country's 15th largest media company, with 1982 revenues of \$663.6 million, all from media operations, a 16% increase from 1981 revenues of \$573.8 million. Net income climbed 20% to \$96.31 million from \$80.5 million in 1981.

Revenue from the company's publishing operations once again far outpaced revenue from its broadcasting and cable tv operations.

Publishing revenues in 1982 totaled \$389.3 million, while broadcasting and cable tv totaled \$274.3 million.

On all three of its fronts, publishing, broadcast and cable, Capital Cities major advancements have been instituted through acquisition and new programming formats.

During 1982 and early 1983, the company acquired several publications. Last September, it purchased the *Red Bank* (N.J.) *Register*, with a circulation of 33,000 daily and 34,000 Sunday.

Also, last September, two weekly newspapers were added to its Shore Line Newspapers group, the *Mystic Compass* and the *Old Lyme Gazette*, both in Connecticut.

In January, the company acquired the *Ocean County* (N.J.) *Reporter*, which is published twice weekly and has a circulation of 80,000.

Additionally, Capital Cities this year purchased the remaining interest in American Traveler, in which it has held an interest since 1979.

American Traveler publishes the *Travel Agent*, a twice-weekly magazine for travel agents with a circulation of 32,000; the *Interline Reporter*, a monthly for airline personnel with 19,000 circulation, and *El Travel Agent Internacional*, a Spanish and Portuguese language monthly for the Latin American travel agent.

The company's specialized publications group turned in a record performance in 1982. Record revenues and earnings at

OTHER OPERATIONS

CBS Broadcast International, international television syndication; Holt Rinehart Winston and Winston Press, publishers; Steinway & Sons and music publishing, records and tapes; packaging.

Cahners Publishing Co.

Cahners Publishing Co., Boston, is the country's 67th largest media company, with revenues of \$130.0 million from media operations for fiscal 1982, which ended March 31, 1982. That is an increase of 30% from fiscal 1981 media revenues of \$100.0 million.

Media revenues represented 75% of the company's total revenues of an estimated \$160.0 million in 1982, up from the previous year's total revenues of \$150.0 million.

Although fiscal 1983 ended this March, for consistency the figures used to rank Cahners in this issue are for fiscal 1982. The company, however, continued to expand in fiscal 1983, albeit at a slower pace, with media property revenues rising 8% to an estimated \$140 million, while total revenues increased to \$186.7 million.

Cahners is a sister publishing and exposition/trade show company of the International Publishing Corp. of Great Britain, both of which are divisions of a United Kingdom corporation, Reed Holdings. Media revenues come primarily from advertising placed in the company's 30 trade magazines, most of which have controlled circulation within the individual industries they reach.

All of the company's magazines are grouped in a magazine publishing division headed by J.

Allan Sheehan. Eighteen are published out of Chicago, three out of New York and the remainder out of Boston. Early in 1982, the magazine division was organized into four groups: Manufacturing industries; building and construction; electronics and computers, and foodservice, each of which is headed by a group vp.

In a major move in March, Cahners added a fifth group to its magazine division with the acquisition of the assets of Fischer Medical Publications, New York. Fischer is known as one of the leading publishers of medical journals, including *Emergency Medicine*, *Journal of Cardiovascular Medicine* and *Transition/Medicine and the Aging Process*. Each has controlled circulation, with reader qualification dependent upon the age of the doctor and length of practice. Prospective readers' names are taken from the American Medical Assn. list of member physicians.

The acquisition marks Cahners' first entry into the healthcare market. "The healthcare and medical fields are growth fields," said Mr. Sheehan. "We liked the market because pharmaceutical companies are committed to specialized medical magazines. I can't think of another group as committed."

For now, Fischer remains autonomous, and its magazines will continue to be published in New York. Steven Fischer, founder and chief executive officer of the company, will remain as president.

In another major move, in September, 1982, Cahners launched *Business Computer Systems*, a publication devoted to the selection, use and expansion of computers and computer systems used in business. The publication was begun to target

a specific market, that of readers who are end users of business computers. In order to qualify to receive the magazine, those who apply must identify the computers they use and their applications; they must participate in buying decisions and must identify their job function and the primary business activity for which their computer system is used.

In staffing BCS, Cahners chose as publisher S. Henry Sacks. He is also publisher of *Mini-Micro Systems*, Cahners' fastest-growing publication.

Of the first year of the reorganization of the magazine division. Mr. Sheehan says, "It was most timely. As times got tough, the ability of the group vps to work quickly allowed us to rigorously control costs. We had a good year, due in part to the reorganization because we were able to be more reactive and to serve our markets better."

In upper management promotions during the year, Terrence M. McDermott was appointed group publisher of *Electric Packaging & Production*, *Electro-Optics* and *Semiconductor International*, three electronics magazines published at the Chicago headquarters. Mr. McDermott remains as publisher of *Building Design & Construction*. Joseph E. Modaff was named publisher of *Building Supply News*. He succeeds Harold J. Sugarman, who, as part of the reorganization, was named group vp of the building construction group. Also during this year, Peter T. Orsi was named publisher of *Professional Builder*. His predecessor, Marsh Trimble, was named publishing director of the magazine.

Last August, the Chicago division, from which nearly half of Cahners' publications are produced, moved its offices out of

the city to Des Plaines, a suburb about 15 miles northwest of the city, near O'Hare International Airport.

Reflecting on the year, Mr. Sheehan said the foodservice and electronics books were up in ad pages, and while the building books were down in ad pages, Cahners "didn't go off as badly as many of our competitors. We maintained our share of market for the seventh consecutive year."

Mr. Sheehan expects revenue from the magazine division to reach \$160 million by the end of fiscal year 1984. He also does not rule out other acquisitions and launches in the future—and not only in the high-tech and healthcare fields. Planned for September, 1984, is the launch of *CPI/Purchasing*, a magazine in the manufacturing industry. The publication would go to the people who make the buying decisions in the chemical processing industries.

Representing the other 25% of Cahners' total revenue is the tradeshow and exposition group, which runs more than 75 shows worldwide in several different industries, including some of those served by the company's magazines and at which these magazines are distributed.

MEDIA PROPERTIES

Annual directories

U.S. Industrial Directory, Transportation Distribution Directory.

Magazines

Appliance Manufacturer, Brick & Clay Record, Building Design & Construction, Building Supply News, Business Computer Systems, Ceramic Industry, Construction Equipment, Design News, EDN, Electronic Business, Electronic Packaging & Production, Electro-Optical Systems Design, Emergency

W, *Women's Wear Daily* and the international medical news group offset lower revenues and profits from the industrial publications—*American Metal Market*, *Metal/Center News*, *Heat Treating* and *Electronic News*.

The company's professional press group, which was acquired by Capital Cities in 1980, again operated at a small loss.

The professional press group this spring introduced *Sport-Style*, with an initial circulation of 150,000, sold through subscriptions, newsstand and specialty retail outlets.

New publication startups and acquisitions since Fairchild Publications became a part of Capital Cities in 1968 continued to produce substantial returns. In 1982, startups and acquisitions contributed 42% of the revenues and 36% of the operating income of the specialized publications group.

Also, through Capital Cities publishing division, the *Cable Connection*, a joint venture of the company's Fort Worth newspaper, the *Star-Telegram*, and the Fort Worth cable tv franchise, received strong acceptance during its first full year of operation.

In 1982, *Star-Text*, a joint venture of the *Star-Telegram* and Tandy Corp., was introduced to Tarrant County. Originally designed for certain Tandy terminals, the videotex service was modified in October so it can be received by any home computer with the necessary equipment. At year end, *Star-Text* had approximately 300 subscribers and a 90% renewal rate.

Capital Cities' broadcasting division—tv and radio stations—again achieved record levels of revenues amounting to \$221 million.

National spot tv advertising, accounting for more than 60% of the gross tv revenues, showed a 17% gain over-all, with the company's Houston, New Haven and Durham stations reporting the greatest increases.

The company's six tv stations were again market leaders. In the February ratings period, five stations were top rated in their markets, while the sixth was ranked No. 2.

Its commitment to the development and expansion of local news and public affairs programs continued during the year. The six stations combined carried almost 90 hours of local live news each week. News programs were also added Monday through Friday at several of the company's tv stations.

In September, WJR (fm), Detroit, became WYR (fm), with a new format, playing top 40 hits. The change was initiated in the hopes of presenting the company with a marketing opportunity by attracting a younger audience (ages 12 to 34).

Of the company's 14 radio stations—seven am and seven fm—WPAT (am, fm) in New York, WJR (am) in Detroit and KSCS (fm) in Dallas/Fort Worth, are ranked No. 1.

The cable tv division became profitable in 1982. Capital Cities first became a major factor in the business with the 1981 ac-

quisition of Cablecom-General for \$139 million.

As part of that purchase, Capital Cities gained a 26% partnership interest in Community Cablevision of Odessa, Tex., a system serving 23,000 basic subscribers.

Following discussions with government authorities in Odessa, a new 20-year franchise was awarded to Community Cablevision with the understanding that the system be substantially rebuilt to deliver 52 channels instead of the 13 currently available.

Following this agreement each of the equity partners had to decide whether to continue with their investment or sell their interests to Capital Cities. Following the decision of all of the partners to sell, last October the company gained full ownership at an additional purchase price of \$13.5 million. Minority interests in two other systems acquired with Cablecom were also purchased in 1982. Cable tv acquisitions for the year totaled \$16.5 million.

Earlier this year, the company acquired two additional small systems in Vinita and Nowata, Okla.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KFSN, Fresno, Cal.; WTNH, New Haven, Conn.; WKBW, Buffalo, N.Y.; WTVD, Raleigh-Durham, N.C.; WPVI, Philadelphia; KTRK, Houston.

RADIO: KZLA (am, fm), Los Angeles; WBIE (fm), Marietta and WKHX (fm), Atlanta, Ga.; WJR (am) and WYR (fm), Detroit; WKBW (am), Buffalo, WPAT (am, fm), New York and WROW (am, fm), Albany, N.Y.; WPRO (am, fm) Providence, R.I.; WBAP (am) and KSCS (fm), Dallas/Fort Worth.

Cable/video

ARIZONA: Clifton, Cottonwood, Globe, Holbrook, Page, Safford, Show Low, Winslow. CALIFORNIA: Burlingame, Modesto, Oakdale, Santa Rosa. ILLINOIS: Highland Park. INDIANA: Greenwood. IOWA: Sioux City. KANSAS: Abilene, Beloit, Clay Center, Concordia. MICHIGAN: Plymouth, Saline. MISSISSIPPI: Clarksdale, Gulfport. MISSOURI: Brookfield, Joplin, Kirksville, Trenton. NEBRASKA: Norfolk. NEW MEXICO: Rio Rancho, Roswell. NORTH DAKOTA: Fargo. OHIO: Green Township. OKLAHOMA: Altus, Ardmore, Hobart, Idabel, Mangum, Miami, Nowata, Ponca City, Vinita. TENNESSEE: Dyersburg. TEXAS: Aransas Pass, Bonham, Childress, Denison, Lampasas, Lufkin, Memphis, Odessa, Port Lavaca, Sherman, Wellington.

Magazines

Entree, *Heat Treating*, *Home Fashion Textiles*, *Interline Reporter*, *Men's Wear*, *Metal/Center News*, *The Travel Agent*, *El Travel Agent Internacional*.

Newspapers (dailies)

ILLINOIS: *Belleville News-Democrat*. MICHIGAN: *Oakland Press* (Pontiac). MISSOURI: *Kansas City Star*, *Kansas City Times*. NEW JERSEY: *Red Bank Daily Register*. OREGON: *Albany Democrat Herald*,

Ashland Daily Tidings. PENNSYLVANIA: *Wilkes-Barre Times Leader*. TEXAS: *Fort Worth Star-Telegram*. Also, three Fairchild Publications business dailies: *American Metal Market*, *Daily News Record*, *Women's Wear Daily*.

Newspapers (nondailies)
CONNECTICUT: *Shore Line Publications: Advertiser* (in Branford, East Haven, and North Branford), *Branford Review*, *Clinton Recorder*, *Hamden Chronicle*, *Mystic Compass*, *Niantic News* (East Lyme and Waterford), *North Haven Post*, *Old Lyme Gazette*, *Pictorial* (Chester, Deep River, Essex, Lyme, Old Lyme, Saybrook, Westbrook), *Shoreline Times* (Guilford, Madison), *Wallingford Post*. ILLINOIS: *Highland News-Leader*. KANSAS: *Pennypower Shopping News* (Wichita and Topeka, Kan., Springfield, Mo.). NEW JERSEY: *Ocean County Reporter* (Toms River). OREGON: *Stamp Collector* (Albany), *Stamp Wholesaler* (Albany), *Cottage Grove Sentinel*, *Gresham Outlook*, *Lebanon Express*, *Newport News-Times*, *Sandy Post*, *Springfield News*. Also, Fairchild Publications nondailies: *Energy User News*, *HFD-Retail Home Furnishings*, *Multi-Channel News*, *Sportstyle*, *Supermarket News*, *W*. Also, international medical news group, professional press group.

Central Newspapers

Central Newspapers, Indianapolis, is the nation's 27th largest media company with 1982 revenues estimated by ADVERTISING AGE of \$315.0 million compared with an estimated \$304.5 million in 1981, all from media properties.

The conservative Central Newspapers continues to put virtually all of its efforts into newspapers, with some limited experimentation in the cable area. Its seven newspapers dominate the Arizona and Indiana markets they serve.

The largest of the papers is the morning *Arizona Republic*. That property and its sister paper, the evening *Phoenix Gazette*, are enjoying a steady circulation growth of about 5% a year, says Central president Frank Russell.

A recently completed satellite plant in Mesa, Ariz., is helping the company achieve its goals of increased growth in Phoenix and outstate Arizona by boosting capabilities for outstate distribution.

Combined morning and evening circulation of the Arizona papers for the Audit Bureau of Circulations for the six months ended March 31, was 421,076, compared with 406,100 for the same period in 1982. For Sunday, the *Republic* posted 1983 circulation of 448,771, up from 432,397 in 1982.

Indianapolis is the second largest market for Central. The combined circulation of the company's morning *Indianapolis Star* and evening *Indianapolis News* rose to 360,476 from 356,990 in 1982. Sunday circulation of the *Star* also gained, climbing to 373,897 for 1983,

from 361,571 for the comparable 1982 period.

Central's *Muncie Star and Press* posted a combined daily circulation of 46,551 for 1983, rising slightly from 1982's 46,141. The morning *Star* had a 1983 Sunday circulation of 34,661, compared with 33,586 in 1982.

In Vincennes, Ind., the *Vincennes Sun-Commercial* (evening and Sunday) had a daily circulation (Monday through Friday) of 14,770 and Sunday circulation of 15,880. Both figures are down slightly from 1982 totals of 14,929 daily and 15,970 Sunday.

The company continues to look for other newspapers to acquire. "We're always agreeable to entering into expansion in the field," says Mr. Russell, adding that he has no interest in broadcast properties.

A cable venture in Phoenix, R/G Cable, continues to be the only nonnewspaper venture for Central. R/G (which stands for Republic/Gazette) leases three channels from a Storer Broadcasting cable system. It runs 24-hour text news on one, text classified ads on a second channel, and will have audio-video housing ads on the third.

This new real estate ad channel will be running by late summer, says Joe Cole, manager of R/G. The channels now reach about 45,000 subscribers through the Storer system, up from 20,000 the year before.

Commenting on the real estate channel's potential, Mr. Cole noted, "The housing industry is picking up around Phoenix." The recession affected even that ultimate Sunbelt city, but with housing on the rise again, the timing of the new channel should put it in an advantageous position.

R/G is also involved with Times Mirror Co. in videotext experiments, but that venture is "still in the research and development stage," says Mr. Cole.

MEDIA PROPERTIES

Cable/video

R/G Cable, operating three channels in Phoenix area.

Newspapers

ARIZONA: *Arizona Republic*, *Phoenix Gazette*. INDIANA: *Indianapolis Star*, *Indianapolis News*, *Muncie Press*, *Muncie Star*, *Vincennes Sun-Commercial*.

Chronicle Publishing Co.

Chronicle Publishing Co., San Francisco, ranks 29th among the nation's largest media companies, with 1982 revenues estimated by ADVERTISING AGE at \$296.3 million, all from media operations. Chronicle media revenues for 1981 were reestimated at \$234.7 million.

The company is wholly owned by the family trust of the M.H. de Young estate. Michael de Young began publication of the *San Francisco Chronicle*, the city's dominant morning newspaper, in 1865.

While the company now owns four television stations and a large cable tv system, the *Chronicle* continues to account

for the majority of corporate revenues. Circulation has grown by about 5,000 in each of the last several years. Circulation in March, 1983, was 535,050, according to Audit Bureau of Circulations.

The *San Francisco Sunday Examiner & Chronicle*, which is jointly owned by the company and the Hearst Corp., had a March circulation of 695,898.

The company also owns the *Bloomington (Ill.) Daily Pantagraph*, which has a circulation of 52,428.

With the company's flagship growing steadily but unspectacularly, cable tv may provide most of the revenue gains in the next few years. Western Communications, Chronicle's cable arm, has 154,000 subscribers in California and New Mexico. The 15-year-old cable company won't grow much from new subscribers, because it already enjoys a saturation rate of 75% to 80%.

But the cable system is being rebuilt, from a current capacity of 12 channels in most areas to 35 channels. Only one pay service—Showtime in California and Home Box Office in New Mexico—is now available. Ed Allen, president of Western Communications, said three or four pay services will be available in most areas when rebuilding is complete. In addition, the company has begun a three-year, \$5 million program to make its system fully addressable.

The expanded system will allow Western Communications to begin pay-per-view service by the end of 1983. "We'll start with events like boxing and rock concerts and ultimately we may go into the lesser movies," said Mr. Allen.

He said that the company hopes to attract cable advertisers when the system is rebuilt.

In the meantime, he said, "We're projecting a significant revenue increase for 1983, and we should have a better operating profit in three years. Once the [addressable] boxes are in place, the bankable dollars should increase significantly."

Mr. Allen said Western Communications has no plans to win any new franchises—"It's the silly season out there"—but growth could come from acquisition of existing systems. Proceeds from the sale of KRON-TV, San Francisco, to the Gannett Co. could be used to acquire cable systems.

Chronicle Broadcasting agreed in September to sell KRON to Gannett for about \$100 million. Chronicle would also get KOCO-TV, the ABC affiliate in Oklahoma City, from Gannett.

But Chronicle and Gannett still haven't reached a definitive agreement. In the meantime, general manager Jim Smith said KRON will try to operate as if the station weren't being sold.

"But it's a difficult situation," he acknowledged. "Under the agreement we're committed to a certain amount of expenditures, and we have every intention of going forward. But we probably won't exceed that commitment."

That means that an aggressive attempt to improve the ratings

of KRON's 11 p.m. news will probably await Gannett's takeover. KRON is running a distant third in the news battle.

One obstacle to the completion of the KRON deal was removed in May when Gannett sold the *Oakland Tribune* to editor and publisher Robert Maynard. Under Federal Communications Commission rules, the *Tribune* had to be sold before Gannett could take ownership of KRON.

If the KRON deal is completed, Chronicle Publishing will be left without a tv station in the top 40 markets. (The company also owns KUPK-TV, Garden City, Kan., KAKE-TV, Wichita, Kan., and WOWT, Omaha, Neb.) Mr. Smith said the company isn't actively pursuing new acquisitions, but that any acquisitions in the future would probably be in the "middle-range" markets.

One new venture for Chronicle in 1982 is Chronicle Videotex, a joint venture with Times Mirror. Phelps Dewey, the *Chronicle's* assistant publisher, said the company hopes to start the home information delivery system by the end of the year. He said the system will concentrate on information, not news.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KRON-TV, San Francisco; KUPK-TV, Garden City, Kan.; KAKE-TV, Wichita, Kan.; WOWT, Omaha, Neb.

Cable/video

Western Communications, serving subscribers in the following locations—CALIFORNIA: Butte County, Carmel-by-the-Sea, Carmel Valley, Chico, Clayton, Concord, Contra Costa County, Corning, Del Monte Forest, Del Ray Oaks, Glenn County, Marina, Monterey County, Orland, Pacific Grove, Salinas, San Mateo County, Seaside, South San Francisco, Willows. NEW MEXICO: Dona Ana County, Los Cruces, Mesilla.

Newspapers (dailies)

CALIFORNIA: *San Francisco Chronicle*, *San Francisco Examiner & Chronicle* (Sunday paper owned jointly by Hearst Corp.). ILLINOIS: *Bloomington Daily Pantagraph*.

OTHER OPERATIONS

Chronicle Videotex Inc., Chronicle Productions, Chronicle Features & Chronicle Books.

Continental Cablevision

Continental Cablevision, Boston, is the country's 77th largest media company, with 1982 revenues of \$108.7 million, all from cable tv interests. This is an increase of 49% over 1981's \$73 million revenue figure. The company's net income in 1982 was \$10.2 million, compared with \$17 million in 1981.

In 1982, the company passed an additional 286,000 homes. The 13th largest multiple system operator in the U.S., Continental ended its first quarter in 1983 with 630,000 subscribers in 70 systems in 11 states. It continued to maintain an unusually high ratio of pay subscribers (697,591, up 59% from 1981) to

basic subscribers (637,703, up 33% from 1981). Through March, 1983, the company had 1.3 million homes passed.

The privately held company at the end of 1982 had assets of \$270 million, operating income of \$41.5 million and earnings of \$29 million.

During the past year, Continental added 22 new franchises, representing about 350,000 potential new homes. The most significant of these include one of five franchise areas in Chicago (representing 180,000 potential homes), 10 franchise areas in northern Connecticut (37,000 potential homes) and Staten Island, N.Y. (55,000 potential homes). The company in 1982 added 30,000 new cable homes by buying out several small systems in New Hampshire and Massachusetts and by acquiring St. Louis County (representing 27,000 homes) from American Television & Communications Co. for an unspecified amount.

Continental activated 15 systems in 1982. The major ones included Springfield, Mass. (60,000 potential homes), Brockton, Mass. (35,000 potential homes), Westchester and four other western suburbs of Chicago (38,000 potential homes), a three-county area of Richmond, Va. (18,000 potential homes) and Oakland County, Mich. (27,000 potential homes).

Continental's only major pending franchise application is in St. Paul, Minn. Although the company also has applications pending in suburbs of Chicago, Boston, Detroit and Cleveland, it has virtually ceased its pursuit of new franchises because much of its funds are tied up in current system construction.

The company, however, has begun to break ground in the field of cellular radio, having applied to the Federal Communications Commission for cellular radio licenses in 15 markets, including Lansing, Mich.; Richmond, Va., and Charlotte, N.C.

Continental acquired its first system in Tiffin, O., and Fostoria, O., in 1965. In November, 1981, Dow Jones & Co. purchased an initial 16% interest in the company. In January, 1982, Dow Jones bought an additional 9.5%, boosting its total holdings to about 25%.

Continental Cablevision was founded in 1963 by two Harvard Business School classmates, Amos Hostetter, CCI president and chief executive officer, and H. I. Grousbeck, CCI chairman. The company is divided into seven regions, each under the management of its own vp-general manager responsible for franchising, renewals and making decisions about such things as equipment purchases independent from Boston corporate headquarters. Continental's corporate executives feel that decentralization has accounted for much of the company's success.

MEDIA PROPERTIES

Cable/video

Systems in 10 states. CALIFORNIA: Big Valley Cablevision (94% interest), serving Manteca, Stockton/San Joaquin County. ILLINOIS: Continental Cablevision of Illinois, serving Freeport/Cedarville/Keokuk

(Ia.)/Carthage, Hamilton/Warshaw (Ind.), Kewanee, Lincoln/Logan County, Morton, Pekin/Groveland/Marquette Heights/North Pekin/South Pekin/Tazewell County/Tremont, Quincy; Continental Cablevision of Cook County, serving Calumet City/Calumet Park/Dolton, Elmhurst/Berkeley/Oakbrook Terrace, Forest Park, Franklin Park/River Grove/Rosemont/Schiller Park, Westchester; Continental Cablevision of Morton Grove. MASSACHUSETTS: Continental Cablevision of Brockton; Continental Cablevision Investments, serving Agawam/Granby/Holyoke/South Hadley/Westfield/West Springfield; Continental Cablevision of Massachusetts, serving Beverly, Newton, Reading, Saugus, Watertown; Continental Cablevision of Northampton, serving Northampton/Hatfield/Williamsburg; Continental Cablevision of Springfield; Continental Cablevision of Winchester. MICHIGAN: Continental Cablevision of Oakland County, serving Hazel Park, Madison Heights, Southfield/Lathrup Village; Continental Cablevision of Michigan, serving Holland, Jackson/Blackman Township, Lansing/Grand Ledge/Delhi, Delta, De Witt, Lansing, Oneida Township, Roseville. MISSOURI: Continental Cablevision of St. Louis County, serving Belleville (Ill.)/Fairview Heights/O'Fallon/St. Clair County (Ill.)/Swansea (Ill.), Jennings/Bellefontaine Neighbors/Country Club Hills/Flor-de-Hills/Moline Acres/Northwoods/Pine Lawn/Riverview, University City/Breckenridge Hills/Brentwood/Clayton/Edmundson/Maplewood/Overland/St. Ann. NEW HAMPSHIRE: Continental Cablevision of New Hampshire, serving Concord/Allenstown/Boscawen/Bow/Pembroke, Dover, Rollinsford/Somersworth/Berwick/South Berwick, Lawrence/Methuen/North Andover, Pease Air Force Base, Portsmouth/Eliot/Kittery/New Castle/Rye, Saco/Old Orchard Beach, Sale/Derry/Windham. OHIO: Continental Cablevision of Hamilton Co., serving Cheviot; Continental Cablevision of Miami Valley, serving north of Dayton suburbs (Englewood, Madison Township, Randolph Township, Trotwood, Union, Vandalia), South of Dayton Suburbs (Beavercreek, Bellbrook, Centerville, Kettering, Miamisburg, Miami Township, Moraine, Oakwood, Washington Township, West Carrollton); Continental Cablevision of Northeast Ohio, serving Bay Village/Avon Lake, Eastlake/Fairport Harbor/Grand River/Lakeline/Mentor/Painesville/Timberlake/Wickliffe/Willoughby/Willoughby Hills, Elyria/Carlisle, Elyria Township; Continental Cablevision of Ohio, serving Athens/The Plains, Bellevue/Clyde, Fairborn/Donnelsville/Enon/New Carlisle/Bath, Bethel, Mad River Township, Findlay/Arlington/McComb/VanBuren, Fostoria/Tiffin, Galion/Crestline, Norwalk/Milan/Monroeville, Springfield/Moorefield, Springfield Township, Upper

Sandusky, Wayne/Harrison Township, Willard/Plymouth/New Haven/Shiloh, Xenia/Cedarville/Jamestown/New Jasper/Silver Creek/Spring Valley, Spring Valley, Xenia Township. VIRGINIA: Continental Cablevision of Virginia, serving Ashland, Henrico County; Continental Cablevision of James City County; Continental Cablevision of Richmond.

Copley Newspapers

Copley Newspapers, La Jolla, Cal., the 45th largest media company in the country, had 1982 media revenues of \$209.3 million, or about 99% of total revenues of \$210.0 million. In 1981, Copley reported media revenues of \$205.6 million.

The family-owned business is still primarily involved in newspapers in California and Illinois, but has expanded its involvement in cable tv and electronic publishing.

After losing a bid two years ago for a cable franchise in Torrance, Cal., to Teleprompter (now Group W), Copley and its bidding partner, Colony Communications (owned by Providence Journal Co., Providence, R.I.), last year won franchises in two neighboring communities: San Pedro-Wilmington-Harbor City area of Los Angeles in April and the city of Lomita in December. The east-west team was the only bidder for a third franchise, in an unincorporated portion of Los Angeles County. Copley/Colony will most likely pursue other cable franchises in Orange County later this year.

Copley's involvement in electronic publishing led to the formation of a special unit last September called Copley Videotex Group. Peter Kaye, on leave from his job as associate editor of the *San Diego Union*, heads the division, which includes 16 people.

Copley is experimenting with three electronic publishing ventures. The first is Time Teletext, a full channel one-way distribution system delivered over Time Inc.'s cable system, Southwestern Cable, for which Copley provides a local news, weather and sports package. INDAX is an interactive system carried by Cox Communications over its San Diego cable system. Copley contributes a local and national news package for this venture.

Later this year, Copley will launch a third two-way system that will be accessible via telephone and viewable on a home computer or television screen. At presstime, the company said it was likely to join with HomeServ, Greenwich, Conn., a company specializing in transactional services software (which permit banking and shopping at home) and a major computer manufacturer. Copley will provide a news package on this system in Del Mar, Cal.

In early May, Copley launched an electronic classified ad service called CLEO (Computer Listing of Employment Opportunities) in California. The service initially listed jobs in technical areas, such as engineering and computer pro-

gramming, but may expand to include other fields later. The "help wanted" ads are purchased by businesses and accessed by personal and business computer users via telephone. If the venture is successful, Copley plans to extend it into other areas of the country.

Newspapers remain Copley's principal source of profit. The company's San Diego properties grew despite the recession, while its five Illinois dailies felt the impact of hard times more strongly, according to marketing director Stuart Neffeler. Overall circulation for all Copley newspapers in 1982 was 646,603, not including the recently purchased *Evening Outlook*.

The *San Diego Union* accounted for more of the growth than the *San Diego Evening Tribune*. The *Union*, aside from having greater drawing power as the city's morning paper, is edited to appeal to the growing outlying areas of San Diego. Total circulation for both is 348,209 daily and 348,856 Sunday for the *Union*, according to March, 1983, Audit Bureau of Circulations figures.

Copley's four Chicago-area dailies experienced a drop of about 2,500 from 129,438 for the six months period ending March, 1982 to 126,861, for the period ending March, 1983, a drop that Mr. Neffeler attributed as much to reduced promotions as to the soft economy in that area. "We're still making money, but we would look for a much better 1983," Mr. Neffeler said. Circulation of the *Springfield (Ill.) State Journal-Register* was 69,925 daily, the March, 1983 ABC figures, a slight drop from 70,333 a year earlier. Sunday circulation stayed almost even, rising from 71,367 to 71,489.

Hoping to solidify its position in the Los Angeles harbor area, Copley agreed to buy the *Santa Monica Evening Outlook* and seven free weeklies from United Western Newspapers, its corporate owner, in late March, of this year. Terms were not disclosed, but United Western's asking price for the *Outlook* reportedly was \$17 million. United Western is owned by the Funk and McClure families.

Ironically, they originally acquired the newspaper in 1932 from Col. Ira C. Copley, founder of the Copley chain, who purchased the *Outlook* once before, in 1928.

The reasons given for the recent sale included estate tax problems and the distance of the two families from Santa Monica, as well as the advanced age of one of its principal owners, Mrs. J.D. Funk, the mother of *Outlook* publisher J. Deane Funk.

The six-day-a-week paper also suffered from declining circulation, slipping from 33,660 in the March, 1982, ABC audit to 26,504 a year later.

Company officials claim this circulation drop was due to the paper switching from a carrier collection system to a paid-by-mail in advance system, a plan the new owners now expect to drop. Purchase of the paper and the weeklies, which reach a combined circulation of over 160,000, will give Copley contin-

uous daily circulation from Malibu down to Long Beach and a foothold in the decidedly upscale Los Angeles' western edge. Adding the *Outlook* to Copley's adjacent properties, the *Daily Breeze* (Torrance) and *San Pedro News-Pilot*, will put the company in contention for No. 3 spot in circulation (after *Los Angeles Times* and *Los Angeles Herald Examiner*) with the Knight-Ridder-owned *Long Beach Press-Telegram* and Tribune Co.-owned *Daily News*, Mr. Neffeler observed.

The company probably will develop an ad package allowing businesses to advertise concurrently in the *Outlook* and the *Daily Breeze*, but will keep general advertising functions of the two separate. Herbert G. Klein, editor-in-chief for all Copley newspapers, stated this intention at the time the purchase was announced. Copley has not yet decided what other changes it will make in the *Outlook's* operations. At presstime, the purchase was still being completed.

MEDIA PROPERTIES

Cable/video

CALIFORNIA: San Pedro-Wilmington-Harbor City and Lorrta franchises (jointly owned with Colony Communications); **INDAX** (owned by Cox Communications) and Time Teletext (owned by Time Inc.) for which Copley provides news packages; **CLEO**, an electronic classified ad service.

Newspapers (dailies)

CALIFORNIA: *San Diego Evening Tribune*, *San Diego Union*, *San Pedro News-Pilot*, *Daily Breeze* (Torrance), *Santa Monica Evening Outlook*. **ILLINOIS:** *Aurora Beacon-News*, *Elgin Courier-News*, *Joliet Herald-News*, *Springfield State Journal-Register*, *Wheaton Daily Journal*.

Newspapers (nondailies)

CALIFORNIA: *Borrego Sun*. Also, 23 unpaid circulation weeklies and shoppers associated with dailies.

OTHER OPERATIONS

Casa del Zorro (resort hotel), Copley Computer Services, Copley News Service, Copley Press.

Cosmos Broadcasting Corp.

Cosmos Broadcasting Corp., Greenville, S.C., is the nation's 98th largest media company, with 1982 revenues of \$67.5 million. It is a wholly owned subsidiary of Greenville-based Liberty Corp., a holding company that also is active in the insurance industry. The total revenues of the holding company, inclusive of Cosmos' media revenues, amounted to \$264.8 million.

Cosmos consists of six network affiliated stations (five vhf and one uhf) and four radio stations (two am and two fm).

In 1982, revenues for both Cosmos and its holding company were up substantially. Cosmos' revenues were up 41% from \$47.7 million in 1981, while Liberty's revenues were up 15% from \$231.2 million. However, earnings failed to keep pace with the dramatic revenue growth. In

fact, Liberty's earnings were down 43% from \$41.3 million in 1981 to \$30.9 million in 1982, while Cosmos' plummeted 68% to \$1.5 million in 1982 from \$4.8 million in 1981.

The growth in revenues and the drop in earnings can both be attributed to the acquisition of Orion Broadcasting on Oct. 16, 1981. The company completed the acquisition of Orion for a total financial package valued at \$110 million.

Cosmos' broadcast revenues were up primarily because of the \$16.9 million added by the two tv stations and two radio stations acquired from Orion. However, the drop in earnings can be attributed to the charges incurred in the acquisition. Without the revenues from the Orion properties, revenues were up only 7%. Some of the revenue weakness also arose from a weakness in local sales of advertising. However, only one station reported a decrease in total revenues compared to 1981.

The company is quick to point out that television and radio advertising tend to lag the economy in both inflationary and deflationary periods. As the economy enters an inflationary period, advertisers tend to maintain or increase advertising expenditures to maintain sales volume and reduce inventories. However, as inflation moderates, it tends to increase consumer spending generally against restricted inventories. Thus, advertisers are able to sustain sales growth without increasing advertising expenditures.

Operating expenses of Cosmos increased 57% in 1982, with the inclusion of Orion adding \$16.6 million, or approximately 84% of the increase, based on a full year's operations. Included in the increase, according to the company, is approximately \$4.4 million in excess depreciation and amortization. Excluding the Orion stations, expenses were up only 11%.

Among the significant changes at Cosmos in 1982 were the following:

- **Personnel:** A number of major station management changes were made and the general managers were given greater operating authority, responsibility and accountability. J. Law Epps, president, retired at the end of 1982 after a 28-year career in the industry. The vp in charge of radio and broadcast services is H. Lee Browning.

- **Equipment:** The company introduced technologically advanced, state-of-the-art equipment at a number of Cosmos stations. These new additions included earth stations for the reception of satellite signals, video-digital effects equipment, electronic still storage equipment and automated studio cameras.

- **Programming:** The installation of earth stations provided Cosmos with access to new programming and news sources. It hopes to achieve greater revenue growth by providing more innovative programming and by effective marketing to advertisers.

Headquarters from Columbia, S.C., and Louisville, Ky., to Greenville. The centralization of

the operations is expected to help in office management functions, improved communications and reduced expenses.

The company is now contemplating a move away from its traditional media operations. It plans to operate cellular radio franchises in North Carolina if the Federal Communications Commission approves its franchise applications. The license applications are still pending FCC approval and may be some time in coming. Cellular radio applications have been filed together with American Radio and Telephone Service, and are for Greenville-Spartanburg, Columbia and Charleston, S.C.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WAVE, Louisville, Ky.; WDSV, New Orleans; WFIE, Evansville, Ind.; WIS, Columbia, S.C.; WSFA, Montgomery, Ala.; WTOL, Toledo, O. **RADIO:** WIS (am), Columbia, S.C.; WMT (am, fm), Cedar Rapids, Ia.; WSRZ (fm), Sarasota, Fla.

Courier-Journal & Louisville Times Co.

Courier-Journal & Louisville Times Co. is the country's 82nd largest media company, with 1982 net operating revenues from media operations of \$98 million, a 5.3% increase from media revenues of \$93.1 million in 1981.

Total company revenues were \$160.0 million in 1982, compared with \$153.2 million in 1981. Standard Gravure, a subsidiary, is not included in media figures.

The company is moving full speed ahead in its new ventures; primarily through its CJ&T Teletext projects. The system broadcasts both news and classified advertising 24 hours a day, over leased channels on Times Mirror and Storer cable systems.

With the potential of reaching 110,000 cable subscribers, the channel's revenues have been running 20% ahead of projections, according to John L. Richards, senior vp.

During its first year, CJ&T Channel concentrated on private party advertising sold through its newspapers' classified phone room. Almost 3,000 daily "pages" of classifieds are being broadcast. There is now a new rate card and a cable salesperson to encourage contract advertisers. Mr. Richards said, "The jury is still out on the marriage of cable and newspaper activities. We're not sure where we stand, but we know we have to be in this area."

Sounding a more optimistic note, Mr. Richards said, "The teletext field is promising." CJ&T Teletext is testing the French Antiope technology in approximately 150 Louisville area households. The project has been testing both classified and display advertising.

Display comes from local ad agencies testing their clients' messages free of charge through the newspapers' agency roundtable. The project, which began in mid-1982, is scheduled to wind up this July. Mr. Richards noted, "Our traditional products won't be given up but these are

other ways to protect our territory—with the transmission of both headline and classified ads."

On a more traditional note, the newspapers have strengthened their distribution system through the use of zoned products. Two were introduced in 1982, and another two have been launched this year. Mr. Richards said there is the possibility of "a few more products" in the Louisville SMSA, but said he believes five products serve the needs of both readers and advertisers in terms of total market coverage.

In 1982 the newspapers also filed for cellular radio licenses. Applications are before the Federal Communications Commission for Louisville, West Palm Beach/Boca Raton, Fla., and Austin, Tex. Other markets are being considered. Mr. Richards said, "In 1984 we will continue to broaden our scope, but remain in those fields where we have proven expertise. Zoned newspapers are an extension of our product; with cable we are still focusing on information and cellular licenses represent a step into diversification."

MEDIA PROPERTIES

Broadcasting

TELEVISION: WHAS, Louisville, Ky. **RADIO:** WHAS (am), Louisville, Ky.

Newspapers

KENTUCKY: *Louisville Courier-Journal*, *Louisville Times*.

Other operations

CJ&T Teletext.

Cowles Media Co.

Cowles Media Co. is the nation's 39th largest media company with revenues of \$238.0 million for fiscal 1982, ended February, 1982. All revenues were from media operations.

Net earnings plunged 89% from fiscal 1981 to \$747,000 from \$7 million, largely because of series of onetime charges stemming from the merger of the *Minneapolis Star* and *Minneapolis Tribune*.

Although fiscal 1983 concluded this March, for consistency the figures used to rank Cowles in this issue are for the fiscal 1982. For the more recent fiscal 1983, Cowles had revenues of \$228.0 million, compared with \$238.0 million for 1982. Additionally, operating earnings were \$9 million, compared with \$2.4 million for fiscal 1982, while after-tax net earnings saw a loss of \$531,000, compared with a gain of \$747,000.

Again it was a series of onetime charges that brought on the decline. The closing of the *Buffalo Courier-Express* yielded an \$8.1 million charge while other personnel-related charges totaled a \$4.1 million charge.

Those charges were offset some by the sale of Cowles' Wichita tv station for \$5.6 million, and in addition the company won a Supreme Court case against the state of Minnesota that resulted in a \$5.2 million rebate. The company had fought a state tax on newsprint.

The Minneapolis concern's retrenchment program continues.

It goes on beating a hasty retreat from an ill-conceived acquisition binge (which occurred during the 1970s) and is attempting to shore up the sagging profits of the mainstay *Minneapolis Star & Tribune* newspaper. In March, the afternoon *Star* and morning *Tribune* were merged to create the *Minneapolis Star & Tribune*.

Last year Cowles Media made some dramatic high-level personnel changes at the Minneapolis newspaper.

But, as in the previous year, the changes were tainted by controversy—a trait that has recently become the venerable company's hallmark.

The most recent shuffle took place in February, when Cowles Media's board pressured John Cowles Jr. into resigning as president of the parent company and publisher of the *Minneapolis Star & Tribune*, and replaced him with his cousin, David Kruidenier. Mr. Cowles, grandson of company founder Gardner Cowles, had only claimed the latter post in November after firing publisher Donald Dwight.

At the time, Mr. Cowles' grasping of the publisher's reins was viewed by many as a reluctant admission that the flagship had been allowed to wander too far from the company's eye during Mr. Dwight's regime.

Former and current staffers charged that the paper had become increasingly factionalized and politicized under Mr. Dwight and that he was responsible for covering up plans for the merger, which had been rumored for nearly a year before actually taking place. Mr. Dwight's backers said that he was only following a mandate from the board and Mr. Cowles.

For the past two years a sequence of chaotic events—highlighted by the resignation in protest of editor Charles Bailey—had radically hurt the paper's image. Mr. Bailey resigned to protest another series of layoffs in which 59 editorial workers would be dismissed. Earlier layoffs affected nearly 100 people.

In November, shortly after Mr. Bailey's resignation, the high level shifts began. Christopher Burns, the associate publisher who directed much of the *Star* and *Tribune* merger, left the paper because of "philosophical differences" with Mr. Dwight. On the heels of his departure, the controversial Mr. Dwight was fired by Mr. Cowles.

When Mr. Cowles became publisher he vowed to fill the key posts of ad and circulation directors, two positions that had been vacant for 18 months because of early retirements. He also set out to reverse a belief within the community that the newspaper was operating without direction.

In addition, Mr. Cowles said renewed emphasis would be placed on the profitability of all assets and suggested that entities that did not make the grade would be cut loose. Cowles had already divested itself of 33% of *Harper & Row*, *Harper's* and a tv station, KTVH in Wichita. Still on the block is a tv station in Louisville, Ky., and a chain of Denver weeklies.

Mr. Cowles' abrupt departure has not altered that back-to-basics business philosophy. Mr. Kruidenier, who is chairman of the Des Moines Register and Tribune Co., which owns 13% of Cowles Media, voiced the same retrenchment goals when he took over.

But board members reportedly ousted Mr. Cowles because he moved too late to deal with the troubles of the Minneapolis newspaper and resented his attempts to revitalize the *Star*.

Some charged that as president Mr. Cowles neglected company business and channeled his actions into too many civic causes, including the construction of the Hubert H. Humphrey domed stadium in downtown Minneapolis.

There are doubts that Mr. Kruidenier can lead the company to its former glory days. His own company has suffered declining profits and it recently closed down its afternoon paper, the *Des Moines Tribune*.

Roger Parkinson, who came to the Minnesota paper as assistant publisher and is the former publisher of the defunct *Buffalo Courier-Express*, followed Mr. Cowles as publisher. One of Mr. Parkinson's first acts was to name Joel Kramer, former editor of the *Buffalo Courier-Express*, as editor of the Minneapolis paper.

In September, the last issue of the *Courier-Express* rolled off the presses as Cowles shut down the paper that had lost an esti-

mated \$25 million since it was purchased in 1979.

The 148-year-old daily was offered to press baron Rupert Murdoch, but the 1,100 *Courier-Express* employees could not come to terms with Mr. Murdoch on payroll cuts and other contract concessions. The demise of the morning paper leaves Buffalo with only the afternoon *Buffalo News*.

When Cowles Media, then known as the Minneapolis Star & Tribune Co., purchased the paper from the William J. Connors family, it also bought its subsidiary cable tv system for \$30 million. The value of CableScope is estimated at more than \$50 million, an appreciation that helped to offset the losses incurred at the paper.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WDRB, Louisville, Ky.

Cable/video

CableScope Inc., including Buffalo, N.Y.

Newspapers (dailies)

MINNESOTA: *Minneapolis Star & Tribune*. MONTANA: *Great Falls Tribune*. SOUTH DAKOTA: *Rapid City Journal*.

Newspapers (nondailies)

COLORADO: *Sentinel* newspapers in Arapahoe, Arvada, Aurora, Commerce City, Englewood, Lakewood, Littleton, North Glen-Thornton, South Jefferson, Westminster, Wheat Ridge. IDAHO: *South Idaho Press* (Burley).

OTHER OPERATIONS

Information Publishers, a commercial printer and publisher of various community directories, and Community Publications Co.

Cox Communications

Cox Communications Inc., Atlanta, is the country's 20th largest media company with media revenues of \$477.5 million, or 93% of the company's total revenues of \$514.7 million. In 1981, Cox had media revenues of \$370.2 million, or 92% of total company revenues of \$403.5 million. The 1982 revenues were 29% higher than the previous year.

Total operating income rose 13%, from \$104.9 million in 1981 to \$118.2 million in 1982.

Revenues from cable television contributed \$261.5 million or 55% of total media revenues, up 39% from 1981 revenues of \$188.5 million. Revenues from broadcasting rose 19% to \$216.1 million from \$181.7 million in 1981.

Operating income from cable tv was \$37.7 million, up 24% from \$30.9 million in 1981. By contrast, operating income from broadcasting was up 14%, to \$76.0 million from \$66.6 million.

The company's 1982 revenues and earnings both were records. Company president William A. Schwartz said the growth was

paced by the performance of the cable television group and most of the broadcasting operations.

There were some weak spots, however. Radio revenues were down 1% to \$34.7 million. The company is trying to improve audience share and demographics through major format changes at three stations and refinements at three others.

Cox abandoned its newest broadcasting venture, subscription television (stv) in February. The stv service, which was introduced over KDNL-TV in St. Louis, attracted fewer subscribers than originally anticipated, and long-term projections showed the company that continued operation would be economically unsound.

Even cable television had its problems. Though subscriber sales goals were met, there was a very high turnover among subscribers.

The company admits that it was unable to reach the service levels needed to retain more customers, particularly for premium services. Among the reasons cited were the lack of product differentiation among the various movie channels and delays in the delivery of converter equipment.

Early in 1983, the National Black Media Coalition filed a complaint with the Federal Communications Commission (FCC) charging that 22 Cox cable systems weren't complying with equal employment opportunity guidelines, and only one

franchise had satisfied EEOC guidelines in all respects. A Cox spokesman said the charges are unfounded.

During 1982 Cox reviewed its operations and reaffirmed the following strategies:

- It will aggressively search for a full complement of seven tv stations, firm in the belief that tv will continue to play a dominant role in media.

- Cox, in fact, is purchasing for \$17 million in cash WKBD-TV, Detroit, from Field Enterprises, which is divesting itself of broadcast and media properties. That would give the company the seven stations permitted. However, Cox may be required to sell its cable operations owned in the Detroit station's tv coverage area.

- It will selectively seek to upgrade the radio group through acquisitions.

- It plans to focus on franchising and acquisition of major cable systems and also consider swaps in order to achieve larger subscriber clusters.

- It plans to seek a role in emerging telecommunications areas, such as satellite distribution, cellular radio and similar services.

- The company intends to increase its role in entertainment production and distribution.

In 1983, Cox expects solid tv ratings to lead to increased television profits. In addition, the continuation of a major program of cable franchise construction and acquisition is expected to

THAT'S GLAMOUR

Glamour is a level of fashion consciousness that's unrivalled. Our reader's quest for accessories to update and accentuate her wardrobe resulted in 36% more purchases of quality shoes than those of the average woman. With numbers like these, nothing fills your shoe marketing quotas like Glamour.

add new subscribers and increase profits.

At the end of 1982, Cox Cable Communications had a total of 1.29 million subscribers, which represented a compounded annual growth rate of almost 21% since 1977. Pay subscriptions increased 29% over 1981 to a total of 1.27 million.

Cox gained no new franchises in 1982. However, after unsuccessfully negotiating with the city of Marquette, Mich., to renew its 6,500-subscriber franchise, it filed a complaint for damages and equitable relief in the U.S. District Court in Michigan. It subsequently decided not to pursue the matter and withdrew the complaint.

In March, it lost in its bid for the 280,000-home franchise in Baltimore to Caltec Cablevision. Even though Cox had been considered the frontrunner in the race for Baltimore, Caltec's plan for local ownership is said to have clinched their win.

Cox Cable was involved in two significant cable projects in 1981-82. In San Diego it began participating in a commercial videotext service, together with American Can subsidiaries ViewMart and HomServ. Later it introduced a similar service in Omaha, Neb.

Recently, however, American Can has announced its intention to withdraw from the joint venture. Cox has not indicated whether it will terminate the project or look for another working partner.

Cox Cable is also involved in COMMLINE, an institutional business communications network. Introduced in Omaha last June, COMMLINE serves businesses, municipal users, social and health agencies by providing extensive data and video communications services.

In May, Cox and ABC Video Enterprises announced a joint venture to examine the full range of home entertainment via cable tv, including pay-per-view. The venture launched a pilot project, FirstTicket, in the Santa Barbara and San Diego area. Subscribers are equipped with one-way addressable or two-way interactive converters and are offered select motion pictures and other special events on a pay-per-view basis.

Cox, along with Times Mirror, TCI and Storer, continues to be a partner in the Spotlight programming service. Another partner, Cablevision, recently decided not to remain with the venture.

Tv provided the real impetus for growth in broadcasting. WHIO-TV in Dayton, O., dominates that market, with a total day share equaling the combined share of the other two network affiliates. In early and late news, the station nearly doubles the combined share of the network rivals.

Charlotte's WSOC-TV has made major competitive strides against the traditional number one station in that market. The company said WSOC-TV is in a

virtual tie for first place in late news. WSB-TV in Atlanta, which switched from NBC to ABC two years ago, closed out the year as the top station in its market.

TeleRep, Cox's national tv sales representation company, and Cox are partners with Taft and Paramount in the production of "Entertainment Tonight," a daily satellite-fed show that is seen on 130 stations across the country.

Cox chairman Clifford Kirtland, 59, resigned effective June 1. The move seemed to catch some company executives and industry analysts by surprise. However, senior Cox officials claim that the departure had been planned for more than a year and a half and that the news had just been publicized.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KDNL, St. Louis; KTVU, Oakland, Cal.; WHIO, Dayton, O.; WPXI, Pittsburgh, Pa.; WSB, Atlanta; WSOC, Charlotte, N.C. RADIO: KFI (am), KOST (fm), Los Angeles; WHIO (am, fm), Dayton, O.; WIOD (am), WAIA (fm), Miami; WLIF (fm), Baltimore; WSB (am, fm), Atlanta; WSOC (am, fm), Charlotte, N.C.; WWSH (fm), Philadelphia, Pa.

Cable/video

CALIFORNIA: Bakersfield, Eureka, Porterville, San Diego, Santa Barbara. CONNECTICUT: Hartford. FLORIDA:

Gainesville, Jacksonville Beach, Ocala, Pensacola, Sebring/Avon Park. GEORGIA: Macon, Warner Robbins. ILLINOIS: Lake County, Maywood, Moline, Orland Park, Park Forest, Robinson. INDIANA: Columbus, Fort Wayne, Michigan City, Peru/Wabash. IOWA: Cedar Rapids, Davenport. LOUISIANA: Jefferson Parish/Kenner, New Orleans. MASSACHUSETTS: North Adams. MICHIGAN: Marquette/Ishpeming, Munising, Owosso, Saginaw, St. Clair Shores. NEBRASKA: Omaha. NEW YORK: Great Neck, Saranac Lake/Lake Placid/Tupper Lake. OHIO: Cleveland. OKLAHOMA: Oklahoma City, Pan-Oklaoma Communication. OREGON: Astoria/Seaside, The Dalles. PENNSYLVANIA: Lewistown, Lock Haven, Tyrone. RHODE ISLAND: Cranston/Johnston. SOUTH CAROLINA: Myrtle Beach. TEXAS: Denton, Lubbock. VERMONT: Burlington, Montpelier, Rutland. VIRGINIA: Norfolk/Portsmouth/Virginia Beach, Roanoke. WASHINGTON: Aberdeen, Camas/Washougal, Long Beach, Spokane, Vancouver, Yakima.

OTHER OPERATIONS

Auto auctions.

Cox Enterprises

Cox Enterprises, Atlanta, is the nation's 21st largest media

company, with 1982 revenues estimated by ADVERTISING AGE at more than \$425.0 million, all from media properties. Cox Enterprises had estimated media revenues in 1981 of \$419.5 million.

With the *Atlanta Journal and Constitution* as its flagship, the family-owned chain operates dailies in 13 cities and several weeklies in suburban New Orleans and in Texas. It also has shoppers in Colorado, Florida and Arizona, and its *Palm Beach Life* magazine claims the title of America's oldest society journal.

The company seems poised to jump into the arena of electronic media. Although it hasn't revealed specific plans, it recently hired Maurice Schonfeld as its director of development. Mr. Schonfeld, formerly an architect of Cable News Network (CNN) and CNN2 for Turner Broadcasting System in Atlanta, will "examine electronic opportunities for us," a Cox spokesman said.

Cox already has gone into the business of cable news programming in a couple of its newspaper markets. In Waco, Tex., it offers a channel of teletext news and classified advertising via a partnership with MetroVision, the cable operator there.

And in Longview, Tex., Cox built a tv studio in its newspaper office, from which it produces two live news shows daily for showing on its cable news channel. The company said it's nego-

A Condé Nast Package Magazine. Copyright 1982 by The Condé Nast Publications, Inc. Source: SMRB 1981



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Glamour helps her fashion her expanding life, too. Every month we bring her a full table of home entertainment how-to's. She responds. Our reader is 20% more likely to drink distilled liquors, 24% more likely to drink wine than the average woman. Helping her bring out her best—That's Glamour.

As Citizen Kane said . . .

Ten most highly paid directors of publicly held publishing companies in 1982.

1. Harrington Drake	Dun & Bradstreet	Chairman, ceo	\$821,897
2. Robert G. Marbut	Harte-Hanks Communications	President, ceo	774,257
3. Allen H. Neuharth	Gannett Co.	President, chairman, ceo	765,491
4. Otis Chandler	Times Mirror Co.	Chairman, editor-in-chief	713,957
5. Robert F. Erburu	Times Mirror Co.	President, ceo	700,363
6. Arthur Ochs Sulzberger	New York Times Co.	Chairman, publisher	698,215
7. Larry D. Franklin	Harte-Hanks Communications	Executive vp	660,998
8. Warren H. Phillips	Dow Jones & Co.	Chairman, ceo	527,030
9. Walter E. Mattson	New York Times Co.	President	520,020
10. Harold W. McGraw Jr.	McGraw-Hill	Chairman, ceo	517,182

Source: Company proxy statements for 1982. Figures include cash and cash-equivalent compensation only.



tiating similar arrangements in some of the other cities where it has newspapers.

The chain's total daily newspaper circulation in March, 1983, amounted to 1.251 million. The star performers of the group have been the papers in Atlanta, Austin and Palm Beach. At the other end of the spectrum, the Dayton, O., dailies and a couple of smaller properties in Texas have suffered some circulation losses because of problems in the local economies.

The *Atlanta Journal* and *Constitution*, with combined daily circulation of 397,618 for the six-month period ended March 31, benefited when the economy of that city began to turn around late in 1982 and in the first quarter of 1983, according to Cox president Charles Glover.

"We've also put a lot of effort into improving the editorial product in Atlanta," he said.

The Atlanta papers last year introduced a marriage-mail system in which they offer preprint advertisers total market coverage through a combination of direct distribution to Sunday subscribers and direct mail to nonsubscribers.

Ferguson Rood, advertising and sales vp, said the program, called REACH, became profitable within three months of its inception.

He said the papers also recently added two new sections, a special local Monday "Business" section, and on Fridays, a Hollywood-style "Preview" section covering movie news.

Early in 1982, the *Journal* and *Constitution* merged news staffs while retaining their separate identities and distinct a.m. and p.m. schedules. Atlanta Newspapers president Tom Wood was replaced by David Easterly, formerly vp of the parent company.

The entry of *USA Today* also

had an effect on the papers. Cox officials insist the national newspaper, which made Atlanta its second target market, had only "minimal" impact on their street sales.

But when *USA Today* announced it was coming to town, "it caused us to accelerate some of the things we already planned to do," Mr. Glover said. "Their prototypes showed how they'd use graphics and color and we reacted." In Austin and Palm Beach, the papers are thriving because they're located in "tremendous growth markets," Mr. Glover said, "and because we're continuing to fine-tune the editorial products."

Several other Florida Gulf Coast publications (including the Tribune Co.'s *Fort Lauderdale News* and Knight-Ridder Newspaper's *Miami Herald*) compete with Cox in the Palm Beach area, but Cox apparently likes the fertile Florida markets.

The company last year made a strong bid to buy the Florida Publishing Co., with its *Jacksonville Journal* and three other dailies. The group eventually went to Morris Communications Group of Augusta, Ga., but Cox was one of the four final bidders.

"Of course we're interested in diversification into some other media areas, but we also have a great deal of faith in print, and we'll continue to look for good newspaper acquisitions," Mr. Glover said.

Other Cox dailies in Florida include the *Miami News* (which has a joint operating agreement with the *Miami Herald*) and 47.5% interest in the *Daytona Beach Journal* and *News*.

Dayton, O., is a sore spot in Cox's newspaper lineup. Its morning *Daily News* and evening *Journal-Herald* had circulations of 102,000 and 121,000, respectively, in March. In this,

Cox's second-largest market, both papers have declining circulation because the area lost more than 30,000 manufacturing jobs during the last 10 years.

The newspapers in Port Arthur, Tex., were hurt by a petrochemical strike there, and the Lufkin, Tex. paper currently is feeling the effect of gluts in the paper and oil industries.

However, two other Texas markets—Waco and Longview—are doing extremely well, Cox officials said.

MEDIA PROPERTIES Magazines

Palm Beach Life.

Newspapers (dailies)

ARIZONA: *Mesa Tribune*, *Tempe Daily News*. COLORADO: *Grand Junction Daily Sentinel*. FLORIDA: *Daytona Beach Journal* (47.5%), *Daytona Beach News* (47.5%), *Miami News*, *Palm Beach Daily News*, *Post and Evening Times* (West Palm Beach). GEORGIA: *Atlanta Constitution*, *Atlanta Journal*. OHIO: *Dayton Daily News*, *Dayton Journal-Herald*, *Springfield News-Sun*. TEXAS: *Austin American-Statesman*, *Longview Journal*, *Longview News*, *Lufkin News*, *Port Arthur News*, *Waco Tribune-Herald*.

Newspapers (nondailies)

LOUISIANA: *East Bank Guide* (Metairie), *Jefferson Parish Times*, *Kenner City News*, *Orleans Guide*, *St. Bernard Guide*, *West Bank Guide*. TEXAS: *Opportunity Valley News*, *Community Post* (both in Port Arthur). Also shoppers in Arizona, Colorado and Florida.

Deseret Management Corp.

Deseret Management Corp., Salt Lake City, is the nation's

87th largest media company, thanks to wholly owned subsidiary Bonneville International Corp. Through ownership of two tv stations, four am and seven fm radio stations and half ownership in a Logan, Utah, cable tv system, Bonneville took in \$89.0 million in net revenues in 1982, up from a \$71.9 million in 1981.

In 1982, Bonneville furnished about 85% of Deseret's total revenues of \$104.7 million, according to the subsidiary's senior vp, Blaine Whipple. Total revenues the year before came in at \$84.5 million.

Deseret, a closed corporation wholly owned by the Corp. of the President of the Church of Jesus Christ of Latter-day Saints, derived nonmedia revenues from television production and radio services.

Bonneville's properties, which range from Seattle to New York, garnered revenues as follows: 49.7% from tv; 45.8% from radio; 2.2% from satellite broadcasting, and 2.3% from program syndication via Bonneville Broadcast Systems.

The church also owns a print operation represented by a daily paper, the *Deseret News*, with a circulation of 72,000 in the Salt Lake City market. The paper, however, does not fall under Deseret management.

Not yet a money maker, but a performer with promise, is Bonneville's teletext operation, KIRO Teletext, launched by KIRO-TV in Seattle. The CBS affiliate has been beaming the teletext electronic news and information service 24 hours a day since June, 1982.

But as of this writing the effort is still experimental; only 10 to 20 sets in the greater Seattle area are equipped with decoders to receive it, and those can be found in demonstration centers, according to Jim Johnson, vp-

marketing and planning for KIRO Inc.

A key factor here is hardware, said Mr. Johnson, who noted that CBS has been shown interest in his station's endeavor. Until very recently, he said, there was no incentive for electronics companies to make the decoders, because FCC clearance for such a service was lacking.

KIRO Teletext had been operating under temporary FCC authorization. But in April, 1983, the FCC authorized certain vertical blanking lines in the broadcast spectrum for use by teletext services, opening a door for growth—if companies line up to make decoders and customers line up to buy them.

Mr. Johnson is optimistic about that potential, saying that KIRO research has unearthed a lively consumer interest in the service. Potential subscribers have been found willing to pay up to \$100 for the needed receiving equipment—a one-shot expense. There would be no monthly charge for the teletext service.

KIRO Teletext has set up public demonstrations in the home electronics departments of Frederick & Nelson, a major Seattle department store chain. Another demonstration is running in Northgate, one of Seattle's largest shopping malls. The demonstrations have been promoted by broadcast spots on KIRO's tv and am radio station and its co-owned station KSEA (fm).

Whether KIRO Teletext will roll as an independent venture, or move under the wing of CBS's teletext venture Extravision, will be decided "within the next two to three months," Mr. Johnson said.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KSL, Salt Lake City; KIRO, Seattle.

RADIO: KBIG (fm), Los Angeles; KOIT (fm), San Francisco; WCLR (fm), Skokie, Ill.; KMBZ (am) and KMBR (fm), Kansas City, Mo.; WRFM (fm), New York; KAAM (am) and KAFM (fm), Dallas; KSL (am) Salt Lake City; KIRO (am) and KSEA (fm), Seattle.

Cable/video

Bonneville Satellite Corp., Bonneville Broadcast Systems.

OTHER OPERATIONS

Bonneville Productions, Radio Data Services, Torbet Radio Representatives.

Des Moines Register & Tribune Co.

Des Moines Register and Tribune Co., Des Moines, Ia., is the nation's 86th largest media company with 1982 operating revenues of \$90.6 million from the previous year's \$89.4 million. Total media earnings were \$1.47 million from \$3.4 million, a loss of \$816,007. The privately held company earned \$277,638 in 1981.

The significant earnings loss stems from the a series of one-

time charges deriving from last year's closing of the afternoon *Des Moines Tribune* and the lingering effects of a depressed midwestern economy.

Total revenues were \$94.5 million, compared with 1981's \$92.6 million.

The company played its trump card in June, 1982, when it closed the evening *Tribune* and laid off an estimated 200 people from the 1,030 work force. The move was made in order to improve the company's eroding profit margins and to consolidate corporate efforts behind the morning *Register*, which has stronger circulation and a statewide reader and advertising base. The *Tribune's* coverage and ads were confined to Des Moines metropolitan area.

The *Register* has seen its circulation numbers jump to an estimated 250,000, a bit over the projected 240,000 predicted at the time of the *Tribune's* closing.

In an attempt to improve profit the company divested itself of Wisconsin-based Waukesha Freeman, which was sold to Thomson Newspapers Ltd., Des Plaines, Ill., and KPLR and KPPL-FM which were sold to the Malrite Communications Group.

In the wake of the *Tribune's* end came a series of high-level changes at the *Register*. David Kruidenier continues as chairman of the company, but relinquished his publisher's role to Gary Gerlach, formerly executive vp-general counsel. Michael Gartner continues as president and adds the title of editorial chairman.

Mr. Gartner was succeeded as editor of the paper by James Gannon, formerly executive editor of the *Register* and *Tribune*. Charles Edwards was named ad director succeeding David Tibbetts, who resigned.

Last February Mr. Kruidenier was named chairman of the Cowles Media Co. replacing John Cowles Jr., who resigned under pressure from the Cowles Media board. The Des Moines *Register* & *Tribune* Co. owns 13% of Cowles Media, and Mr. Kruidenier is a cousin of Mr. Cowles.

Mr. Kruidenier's installment again ignites long-running speculation that Cowles Media, which publishes the *Minneapolis Star & Tribune*, and the Des Moines concern will merge. In 1981 the two companies agreed to merge but could not come to terms. Mr. Kruidenier says the merger is always a possibility but that it is on the "far back burner."

MEDIA PROPERTIES

Broadcasting

TELEVISION: KAIL, Wailuku, KHON, Honolulu, Hawaii. WQAD, Moline, Ill. RADIO: KGON (fm), Portland, Ore.; WIBA (am, fm) Madison, Wis.

Newspapers (dailies)

IOWA: *Des Moines Register*. TENNESSEE: *Jackson Sun*

Newspapers (nondailies)

IOWA: *Independence Conservative*, *Independence Independent*, *Indianola Record Herald*, *Indianola Tribune*; shoppers in *Independence* and *Indianola*.

OTHER OPERATIONS

Thirteen per cent of the stock in the privately held Cowles Media Co., Minneapolis.

Dispatch Printing Co.

Dispatch Printing Co., Columbus, O., owned by members of the local Wolfe family, is the 68th largest media company with revenues estimated at \$127.2 million in 1982, all from media operations. The company had total revenues of \$110.4 million in 1981, all from media.

The major property in the group is the *Columbus Dispatch*, which accounts for an estimated 78% of revenues. Other proper-

ties include WBSN-TV in Columbus and WTHR-TV in Indianapolis.

The *Dispatch*, founded in 1871, was purchased in 1905 by two Wolfe brothers, the grandfather and great uncle of current board chairman John Walton Wolfe. Day-to-day operations are supervised by Mr. Wolfe's cousin, John F. Wolfe, 39, publisher and president.

The *Dispatch*, an evening paper that handles advertising, circulation and other noneditorial functions for E.W. Scripps' morning *Citizen-Journal*, had Audit Bureau of Circulations-audited daily circulation in the March, 1983, reporting period of 206,853 and Sunday circulation of 350,203, up 2.3% and up 2.9%, respectively, from

1982.

Its editorial competitor, the *Citizen-Journal*, for the same period had daily circulation of 121,824, up 4% from 1982. The *Citizen-Journal* does not publish on Sunday.

The *Dispatch*, an evening paper, bucks national trends that show declining circulation in evening newspapers in markets where they compete with a morning daily.

The company recently underwent a management change that has "given management greater flexibility in hours and scheduling," says Richard M. Franks, vp-operations.

Specifically, district managers (field reps) were converted to first-level management, wresting that responsibility from union

control.

The newspaper "has felt the slump in the economy like other newspapers, although lineage this year is ahead of projections," said Mr. Franks, who credited the improvement in lineage to the improved economy and to the increased emphasis on staff sales presentations.

The leading broadcast property is WBSN-TV, founded by the Dispatch Printing Co. in 1949 in Columbus. The CBS affiliate is the dominant news station in its market with a 43% share of audience for the late news slot, according to the February, 1983, Arbitron monitoring period, and a 52% share of audience for the early news.

The station prides itself in its news coverage, with four com-

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Journal's pick adds continental flavor

By Dennis Chase

When Norman Pearlstine settles in as the new managing editor of the *Wall Street Journal* on Sept. 1, he can be forgiven if he has the feeling that his new job is a piece of cake.

Not since about 1976 has the mustachioed, 40-year-old editor, one of the fastest-rising stars at Dow Jones & Co., been asked to do anything at Dow Jones except start fledgling, English-language publications in foreign countries, where the distribution, production and editorial problems—not to mention the stiff competition—are immense. So when Mr. Pearlstine now says, "I don't plan any great changes at the *Journal*," the sentence must sound strange even to Mr. Pearlstine himself.

"In the past six years the *Journal* has been changed and become very strong. The circulation has increased over 30% and there's a bigger news hole now that we've gone to two sections," he says. "It's a game plan of Larry O'Donnell [Mr. Pearlstine's predecessor] that is begging to be followed. I'm very reluctant to change it."

No doubt one reason Mr. Pearlstine was tapped for the

Dennis Chase is international editor of *ADVERTISING AGE*.

spot was his international background, and there will be changes. He is looking to increase and improve the *Journal*'s



Pearlstine: Not locked into a preconception.

Journal's international coverage, trying to "make it more systematic, like our domestic coverage," he says.

But that raises the problem—which Mr. Pearlstine will be grappling with—of how to make coverage of financial results of foreign companies interesting to U.S. readers. "The question is, how significant is day-to-day international corporate coverage, and how can we make that story right for the *Wall Street Journal* audience, which is so much a domestic audience?" he asks.

What is in the cards, however, is more space devoted to international stories not tied just to political events.

He also says the *Journal* will continue to look at "compartmentalization" of the news and at graphics "so that, as the paper gets bigger, the reader is still able to embrace it."

Besides his international experience, one of Mr. Pearlstine's qualifications is that he has come through some of the toughest assignments ever laid on an editor. From 1976 to 1978, he was the managing editor of the *Asian Wall Street Journal*, a publication that for years many outsiders thought was Dow Jones' biggest blunder. That's because it struggled through massive startup problems in an unfamiliar and highly competitive market. Only last year, nearly six years after its birth, did the *Asian Journal* start to make money.

In fact, Mr. Pearlstine left Dow Jones to become an executive editor at *Forbes* from 1978 to 1980. But he returned as the U.S. *Journal*'s national news editor until last year, when he took on perhaps his toughest assignment of all.

Mr. Pearlstine was named the first editor and publisher of the *Wall Street Journal/Europe*, which, since it started on Jan. 31, has been taking on the

heavyweights of international publishing—the *Financial Times* and the *International Herald Tribune*—right in their own European backyards.

To even Mr. Pearlstine's surprise, the battle in Europe so far has been easier than expected. This month he announced that unaudited figures so far showed the *WSJ/E* had reached a circulation of 17,500, or 10,000 more than the previous international air edition. By comparison, the *Asian Journal* took six years to reach just 25,000.

The newspaper runs an average three pages of ads each issue. While Mr. Pearlstine and other executives have been stressing the quality rather than quantity of the circulation, that could change if the numbers keep rising faster than original projections. Despite that good news, before leaving his post Mr. Pearlstine was still tinkering, which is his hallmark. He recently adjusted the contents of the *European Journal*, following a lesson that was drilled into him during his experience with the *Asian Journal*: Be flexible.

Two months ago he radically changed to a horizontal layout and increased the coverage of U.S. business. "We'll do a readership study before the end of the year," he says. "We're not locked into a preconception."

well *Journal-Tribune*, *Chickasha Daily Express*, *Durant Daily Democrat*, *Frederick Daily Leader*, *Guthrie Daily Leader*, *Guyman Daily Herald*, *Henryetta Daily Free-Lance*, *Holdenville Daily News*, *Okmulgee Daily News*, *Paul's Valley Daily Democrat*, *Pawhuska Daily Journal-Capital*, *Wewoka Daily Times*. TEXAS: *Borger News-Herald*, *Cleburne Times Review*, *Gainesville Daily Register*, *Jacksonville Daily Progress*, *Kilgore News Herald*, *Sherman Democrat*, *Sweetwater Reporter*, *Weatherford Democrat*. WASHINGTON: *Aberdeen Daily World*, *Auburn Daily Globe News*, *Kent Daily New Journal*, *Renton Daily Record Chronicle*.

Newspapers (nondailies)
Forty-one nondailies in nine states, including Booneville (Ark.) *Democrat*, *Oskaloosa (Ia.) Shopper*, *Poplarville (Miss.) Democrat*, *Randolph County Times* (Huntsville, Mo.).

Dow Jones & Co.

Dow Jones & Co., New York, is the country's 14th largest media company, with media operation revenues of \$683.0 million in 1982, or 94% of total revenues of \$730.7 million. In 1981, its media revenues were \$600.0 million, or 94% of total revenues of \$641.0 million.

National publications and news services accounted for more than three quarters of total revenues. Community newspapers, book publishing and information services accounted for the remainder. Information Services and Book Publishing were not included in *ADVERTISING AGE*'s figures.

Net income rose from \$71.4 million in 1981 to \$88.0 million in 1982.

The company's principal publication, the *Wall Street Journal*, launched its European edition with a bang. The publication's first two issues sold out all available advertising space and circulation began growing faster than it did for the launch of the *Asian Wall Street Journal* six years ago.

Estimates were that 35 U.S. advertisers were going to take out strong schedules while a smaller group of European advertisers were going to go into the paper.

Norman Pearlstine, former publisher and editor of the *Wall Street Journal/Europe*, has chosen to take a low-key approach. (See story above left). "We feel pretty good about what we are doing," he said. In May, Mr. Pearlstine was promoted to managing editor of the *Journal*, replacing Laurence G. O'Donnell, who was named associate editor of the *Journal*.

While Dow Jones executives were taking a low profile concerning the European paper, they were obviously pleased with the results of a direct-mail circulation drive that began last October. That effort apparently netted a strong response. Sources guessed the publication would start with better than 10,000 initial circulation and rapidly move to 12,000. It appears certain that the *European*

plete live units, 12 news cars and a helicopter combing the market. The chopper, for example, recently was used to relay live from New Concord, 58 miles east of Columbus, coverage of Democratic Sen. John H. Glenn Jr.'s announcement that he was running for the presidency in 1984.

WTHR, the NBC television affiliate in Indianapolis, was bought by Wolfe family interests in 1975, and falls under the corporate head of VideoIndiana Inc. The station has not been a leader in the race for market share in Indianapolis, where it currently is in third place. But the company is "painstakingly building" the station into a contender, said Eugene D'Angelo Jr., president and general manager-broadcasting operations at Dispatch Printing Co.

He notes the station now has the same newsgathering capabilities as its Columbus sister station. The payoff may have already begun. The station won an Emmy in 1982 for its documentary on the resurgence of the Klu Klux Klan.

A third broadcast property, WBNS am, fm in Columbus, is owned by the Wolfe family but is not included under the Dispatch Printing Co. corporate umbrella. Its revenues are not included in company estimates.

MEDIA PROPERTIES

Broadcasting
TELEVISION: VideoIndiana—WTHR, Indianapolis; WBNS-TV, Columbus.

Newspapers
OHIO: *Columbus Dispatch*.

Donrey Media Group

Donrey Media Group, Fort Smith, Ark., is the nation's 60th largest media company with media revenues estimated by *ADVERTISING AGE* of \$147.4 million in 1982.

A privately held company with all of its interests in media operations, Donrey serves more than 8 million people through its 46 daily and 41 nondaily newspapers, one tv and seven radio stations, four cable companies and 11 outdoor advertising plants. The group owns companies in 18 states and the District of Columbia. "It was a respectable year," said Fred Smith, Donrey's executive vp. "Revenues were not what we would like, but we did a good job of controlling our expenses."

Acquisition and development characterized 1982 for the company. Early in the year Donrey took control of two cable systems, Rogers Cablevision in Rogers, Ark. and Bartlesville Video in Bartlesville, Okla. The company already owned 20% of the Bartlesville system at the time of the sale in February.

Also in February, 1982, Donrey acquired the Valley Publishing Co., publisher of three daily newspapers in Kent, Renton and Auburn, suburbs of Seattle. The dailies have a combined circulation of 40,000, and three complementary twice-weekly controlled-distribution publications extend circulation

to 100,000. A purchase price was never disclosed.

The company's most recent acquisition was the *Chico (Cal.) Enterprise-Record*, a daily with a circulation of 26,000. The sale became final April 1.

Mr. Smith said the company continues to be interested in media acquisitions, particularly newspapers in its 5,000 to 105,000 circulation range. And, he added, "we are very, very interested in cable."

In March, 1982, the company's *West Hawaii Today* went from thrice-weekly to daily publication as part of an over-all face lift that included construction of a new printing facility. Similarly, a new printing plant for the *Glasgow Daily Times* is currently under construction.

In cable, both the Bartlesville and Rogers systems have begun upgrading from standard 12-channel operations to ones that will handle more than 30 channels.

At the Bartlesville system, the company is experimenting with two teletext channels that will combine alphanumeric information with live and videotape programming. The project is a cooperative effort between the cable company and the Bartlesville *Examiner-Enterprise*, also a Donrey property.

The company remains committed to continued growth and to pioneering technology, according to its founder and president, Donald W. Reynolds. The group has contributed to research on a laser platemaker that is now in operation at

Donrey's largest newspaper, the *Las Vegas (Nev.) Review Journal* in Las Vegas, Nev. The company is also developing a computerized circulation system at that location.

MEDIA PROPERTIES

Broadcasting
TELEVISION: KOLO, Reno, Nev.
RADIO: KBRS (am), Springdale, Ark.; KOCM (am), Newport Beach, Cal.; KEXO (am), Grand Junction, Colo.; KORK (am, fm), Las Vegas, Nev.

Cable/video
North Bay Cable TV Co., serving Vallejo, Cal.; Bartlesville Video, serving Bartlesville and Dewey, Okla.; Kilgore Cable TV Co., serving Kilgore, Tex. (50% ownership); Rogers Cablevision, Rogers, Ark.

Newspapers (dailies)
ARKANSAS: *Rogers Northwest Arkansas Morning News*, *Southwest Times Record* (Fort Smith), *Springdale News*. CALIFORNIA: *Chico Enterprise-Record*, *Lompoc Record*, *Ontario Daily News*, *Redlands Daily Facts*, *Vallejo Times-Herald*. HAWAII: *Hawaii Tribune-Herald* (Hilo), *West Hawaii Today* (Kailua-Kona). INDIANA: *Washington Times-Herald*. IOWA: *Oskaloosa Herald*. KENTUCKY: *Glasgow Daily Times*. MISSISSIPPI: *Picayune Item*. MISSOURI: *Macon Chronicle*, *Moberly Monitor-Index*. NEVADA: *Carson City Nevada Appeal*, *Ely Daily Times*, *Las Vegas Review-Journal*. OKLAHOMA: *Bartlesville Examiner-Enterprise*, *Black-*

Meanwhile, Dow Jones was planning to make changes at home in the *Journal*, which generates approximately 67% of the company's profits. The company announced plans for a daily half-page of arts and leisure coverage in the *Wall Street Journal* to debut in the fall.

Journal executives have said privately that when the paper's capacity expands to 60 pages later this year, they planned to use much of that extra space for coverage of the arts and to allow for more commentary.

The new and still unnamed page is expected to debut in September and will be edited by Raymond Sokolov, editor of *Book Digest* before Dow Jones folded that publication last year. Mr. Sokolov is now editor of the Arts and Leisure page that appears in the Friday editions of the *Journal*. The daily section, which will have its own logo, will appear on the left-hand page directly preceding the editorial pages of the *Journal*. It is expected that the arts coverage that now appears on the Op-Ed page of the *Journal* will be replaced by more letters to the editors and commentary by *Journal* staffers.

"We think that there is a lot in this area, especially in books, that we should be doing more of," said George Melloan, deputy editor and coordinator of much of the change that is to take place.

Barron's, Dow Jones national weekly, was also making changes as it began publishing a western edition in January. If successful, the move would pave the way for the eventual introduction of other regional editions, according to ad director Walter Dietzer.

Mr. Dietzer said that *Barron's* like its sister publication, the *Journal*, came to the conclusion that it must regionalize to develop new advertising prospects.

On the video front, Dow Jones Information Services president William Dunn said that the on-line Dow Jones Information Retrieval Service now serves 55,000 customer terminals, up from 30,000 last year, and has expanded the agreements with 10 multiple system operators to introduce the service via cable to systems passing 360,000 homes to cover 20 mso's and 1.25 million homes passed.

In the area of tv, the "Wall Street Journal Report," co-produced by Dow Jones and WPIX, debuted on tv in October and is being shown in 52 markets across the country.

Frederick Taylor, the *Journal's* executive editor, said the newspaper had been approached many times in the past to lend its name and resources to a business show. WPIX was selected as a partner because *Journal* executives wanted to retain editorial control.

"It didn't seem likely that we'd end up in a joint venture with one of the networks," Mr. Tayler said. "They want control themselves."

Although both sides contribute suggestions for stories, most

ideas originate from the pages of the *Journal*. An editorial board with representatives from both sides has been set up to review stories at every stage of development.

John R. Corporon, executive producer of the program, anticipated that the show would be sold out in the fourth quarter. WPIX sells three minutes and local stations sell three minutes. WPIX is charging \$12,500 for a 30-second spot.

MEDIA PROPERTIES
Magazines

Barron's, American Demographics, National Business Employment Weekly, Asian Wall Street Journal Weekly.

Newspapers (dailies)

Wall Street Journal, Asian Wall

Street Journal, Wall Street Journal/Europe. **OTTAWA** Newspaper Group: **CALIFORNIA:** *Santa Cruz Sentinel.* **CONNECTICUT:** *Danbury News-Times.* **KENTUCKY:** *Ashland Daily Independent.* **MASSACHUSETTS:** *Beverly-Peabody Times, Cape Cod Times, Gloucester Daily Times, New Bedford Standard-Times, Newburyport Daily News.* **MICHIGAN:** *Traverse City Record-Eagle.* **MINNESOTA:** *Mankato Free Press, Oatonna People's Press.* **MISSOURI:** *Joplin Globe.* **NEW YORK:** *Middletown Times Herald-Record, Oneonta Daily Star, Plattsburgh Press Republican, Tri-State Gazette.* **OREGON:** *Medford Mail Tribune.* **PENNSYLVANIA:** *Pocono Record, Sharon Herald, Sunbury Daily*

Item.

Equity interests

Far Eastern Economic Review (49% interest), *South China Morning Post* (16% interest), *Press-Enterprise Co.* (20.1% interest).

OTHER OPERATIONS

Dow Jones News Service, DowAlert, Dow Jones News/Retrieval, Dow Jones Cable News (videotex).

Dun & Bradstreet

Dun & Bradstreet Corp., New York, is the country's 17th largest media company, with 1982 media revenues of \$584.1 million, or 39% of the total operating revenues of \$1.5 billion. In

1981, D&B had media revenues of \$553.4 million, about 42% of total revenues of \$1.33 billion.

The company's net income last year rose 17% to a record high of \$143.1 million.

In 1982, publishing contributed \$483.4 million in media revenues, up 5.4% from 1981 and equal to 33.1% of Dun & Bradstreet's total revenues. Publishing accounted in 1982 for \$145.2 million in operating income, or 52.2% of the company's total operating income of \$277.8 million.

The broadcast division's operating revenues of \$100.6 million accounted for 6.9% of D&B's total operating revenues in '82. Broadcasting contributed \$47.3 million in operating income, 17% of the total.

Advertising Age, June 27, 1983

Life after battle on Detroit's front line

By Jay McCormick

Things can get a little rough in Detroit's newspaper jousts.

And a little tedious.

A little too tedious for Bill Giles, who had been brought in by the *Detroit News* to improve editorial quality and fight off *Detroit Free Press*' Knight-Ridder in shining armor. Laying down his lance as top editor at the *News*, Mr. Giles left the field with the battle only half over.

The sudden resignation caught officials of the Evening News Assn., the *News*' parent, by surprise (though rumors started immediately that it was their idea in the first place). The story hit the front pages of both papers the next day, and Lionel Linder, Mr. Giles' right-hand man at the *News* and before that at Dow Jones & Co.'s *National Observer*, stepped up to take the reins of the *News*. Bill Giles faded from sight.

Reposing at home in Grosse Pointe Park, a suburb of Detroit, Mr. Giles tends to look at the Detroit newspaper war with the sardonic eye of a character from a stormy Icelandic saga. "The house is on fire and you're fighting," he says. "You're constantly using your mental powers and physical powers and reporting powers to make certain that you're not getting snookered by the competition."

Mr. Giles admits he has a somewhat idealistic vision of what a newspaper should do by way of public service. Under his tutelage, the *News* won the Pulitzer prize for meritorious public service in 1982 for a series of stories on punishment and brig practices in the Navy. The story started as an ordinary obit assignment on the death of a De-

Jay McCormick is a reporter for Crain's Chicago Business, and a former Detroit reporter for ADVERTISING AGE.

troit-area crew member.

Dissemination of information alone just doesn't do it for Mr. Giles. The Navy stories caused



Giles: An idealistic vision

changes in that service's rules and practices and the early retirement of some of the officers involved, he points out proudly.

But with the recession hitting the newspapers in Detroit, the news hole started to shrink, stories were squeezed and hiring limits were imposed. The ambitious improvement plan Mr. Giles had been hired to command was put on hold. "There was a continuing problem of trying to make the economics jibe with the effort to improve the quality of the newspaper," Mr. Giles says.

Ironically, the recession held down what could have been helpful coverage by the *News* of the bad economy in Michigan. The paper couldn't perform the needed public service. "We could report the stupid statistics, do feature stories about people getting thrown out of tent city in Houston. After you do that for three years, you say, 'What is the function now?'" Mr. Giles says. "Plus I'm depressed... that the newspaper can be an observer but didn't strike me as being an instrument of usefulness at that point. That both-

ered me, as a professional and as a person."

In addition to the recession, the competition between the papers held down the level of most stories, Mr. Giles says.

"Does the art or science of journalism get advanced by this kind of competition? I seriously doubt it," Mr. Giles says. "The newspapers are so obliged to keep performing in front of the market out there—you keep



Linder: Locked in a race

watching the stupid competition. If they do a mental hospital story, you're looking for something to counter that. Mental hospital stories have been done every year for the last 50 years."

Some of that is still true, according to Lionel Linder. Mr. Linder stepped up to the editor post from executive editor, where he had been in charge of long-range planning. "The battle is quite intense at all times and on all levels," says Mr. Linder. "There's no question it is a race. The fierce competition is enervating."

But Mr. Linder, unlike Mr. Giles, tries to keep himself out of the race, leaving the day-to-day operations to his staff. "I treat [the competition] differently than he did. I don't take it all so personally. My blood pressure doesn't rise with every

move the *Free Press* makes," says Mr. Linder.

Messrs. Linder and Giles worked together for 20 years, at the *National Observer* and the *News*, so it's not surprising that Mr. Linder plans to keep 95% of the changes Mr. Giles made while editor of the *News*. That includes giving big play to longer stories or series on unusual subjects with local slants.

"Perhaps some [of the staff] liked Bill's flamboyant style more than my professorial style, if that's the word," Mr. Linder adds. But he points out that the *News* didn't lose a step when Mr. Giles quit. "They knew there was a successor," says Mr. Linder.

If newspapers want to stay alive, if they want to continue to attract intelligent and talented young writers and be read for more than bare-bones information, they must change, according to Mr. Giles. "I don't know what the answers are, but [newspapers] don't have them," he says. "People are very content, journalists, professors as well as editors and publishers are very content to go with what they've got."

"You need something better than that. Don't ask what it is at this point—but it isn't going to come out of Detroit, I'm convinced."

"And it isn't going to come out of the sense that competition in some fashion is going to be so good that it is going to churn up these marvelous new ideas in journalism."

Mr. Giles says he will probably go back to a university in Michigan to work to make journalism classes and programs better and more respectable. He plans to do some consulting work with private business, he adds. He spent a year at Baylor University in Texas teaching and gathering his thoughts between his jobs at Dow Jones and the *News*.

bonds and short-term notes, set a new record of \$75 billion in 1982, while the municipal department rated over 4,000 new issues, resulting in record revenues. In an historic break from a 71-year tradition, Moody's expanded the number of categories it assigns to issuers of corporate debt securities from nine to 19. Moody's also undertook a major review of bank-holding companies.

The company also came out with profiles of companies which have paid a rising annual dividend for at least 10 consecutive years in its *Moody's Handbook of Dividend Achievers*.

The airlines may be battling each other or plunging into debt, but D&B's "Official Airline Guides" continue to enjoy yet another record year.

Last year, D&B successfully tested an on-line edition of the "Official Airline Guides" and just recently rolled out an electronic edition. The company's travel magazines division had a gain in operating income, with significant gains in ad revenue and pages for its *Frequent Flyer*.

Technical Publishing had a soft year last year. While the operating revenue increased barely, the operating income showed a slight decline. Ad pages were down although some of the books had good showings for the year. D&B's investment in technology continued to pay off with revenue gains shown by Solid State Technology, Software News and Datamation, as well as Control Engineering and Industrial Research & Development. Last year, D&B introduced Software Search, an on-line database of available software packages.

Dun & Bradstreet's medical publications had a good revenue year with increased advertising as a result of approval by the Food & Drug Administration of new drug applications.

Among nonmedia publishing divisions, D&B's Funk & Wagnalls had a bad year in 1982. Operating revenue and income did not reach 1981 levels, which in turn were below 1980 levels. The paltry 1982 figures are a result of reduction in participation by supermarket chains in F&W's continuity series programs (i.e. "Children's Bible Stories").

In February, 1982, Dun & Bradstreet realigned its resources and operating divisions. It grouped together several of its primary data resources, seeking to facilitate greater access and sharing among the various divisions.

D&B's commercial collection, business collection, business education, plan services and Donnelley Marketing Information Service became independent divisions reporting directly to the corporate office.

James J. Crenner, John C. Holt and Volney Taylor, newly elected executive vps, now share responsibilities for the operating divisions. Reporting to Mr. Crenner, formerly chairman-president of Dun & Bradstreet Inc., a company of D&B Corp., are Reuben H. Donnelley, Moody's Investors Services and D&B commercial collection. Reporting to Mr. Holt, formerly a

Even in the continued soft economy, D&B held strong. In 1982, all four segments of D&B's empire—Business Information Services, Publishing, Marketing Services and Broadcasting—showed revenue and profit gains, however slight.

According to D&B, its strategy focuses on an increased application of technology, and its future centers on a commitment "to searching constantly for new product needs and new markets."

Last month, however, D&B put five of its six Corinthian Broadcasting tv stations on the block. No asking price was disclosed, but industry sources estimate the five stations could fetch \$300 million. The largest Corinthian station, KHOU-TV, Houston, is not for sale yet, but the company plans to sell it at a later date. Proceeds from the sale will be invested in existing lines of business.

In 1982, Corinthian's revenues hit all-time highs, and according

to the latest ratings, two of Corinthian's stations, KOTV-TV in Tulsa and WISH-TV in Indianapolis, rank No. 1 in their markets for both prime time and the entire day.

The TVS Television Network had a slight revenue gain and an operating income decline. The station's position as "packager and producer of college basketball games for tv was hurt by the escalating rights payments for tv sports," according to the company. Also, several of the network's sports programs resulted in red ink on the bottom line.

Corinthian was hard at work last year completing construction of satellite uplink facilities at Corinthian stations, enabling immediate broadcast of national news of local interest to stations from Corinthian's Washington D.C. bureau. Several stations also unveiled their new program, "Afternoon," an hourlong entertainment and tv news magazine slated to build up audience for each station's early evening

news. Local co-hosts combine nationally produced segments with local stories and news updates throughout the program.

In publishing, Dun & Bradstreet's Reuben H. Donnelley operation recorded gains in operating revenue and income. The company decided last September to discontinue its role as a selling agent for and processor of National Yellow Pages Advertising.

This decision was based on declining commission rates over the years, resulting in insufficient profits. Donnelley held about 25% of the national Yellow Pages ad market.

Donnelley also got a new president in 1982 in Richard B. Swank. Early last year, the division began working with Vista-United Telecommunications, an independent telephone company in Lake Buena Vista to create *Lake Buena Vista Florida Directory* and the *Visitors Information Guide*, specialized directories directed at the booming

central Florida market.

In July, 1982, the division rolled the second edition of Chicago Visitors Guide and Downtown Directory off the presses and left it in nearly 200,000 hotel rooms, residences and offices in the Chicago Loop.

In the Big Apple, Donnelley went to work on the first foreign language Yellow Pages, the *Spanish Yellow Pages*. Although revenues were up in 1982, Thomson Directories Ltd., the joint venture between Donnelley and the International Thomson Organization, has yet to show a profit. In 1982, more than 14 million copies of the Thomson directories were distributed to overseas households and businesses.

For the second year going, Moody's Investors Service had a record year, "spurred by outstanding results from municipal bond, corporate bond and commercial paper rating activities." The volume of municipal tax-exempt financing, both long-term

corporate senior vp, are Donnelley Marketing, Technical Publishing, D&B business education and Donnelley Marketing Information Service. Reporting to Mr. Taylor are Corinthian Broadcasting, Official Airline Guides, Plan Services and Salesnet, D&B's telephone marketing business. In other executive promotions James C. Rutter was named president of D&B Credit Services.

MEDIA PROPERTIES

Broadcast

TELEVISION: KXTV, Sacramento, Cal.; WISH, Indianapolis; KOTV, Tulsa, Okla.; KHOU, Houston, and WANE, Fort Wayne, Tex.; WVEC, Hampton-Norfolk, Va.; TVS Television Network.

Cable/video

Pembroke Cable Corp., a division of Corinthian, a wholly owned subsidiary of D&B serving NORTH CAROLINA: Ahsokie, Murfreesboro. VIRGINIA: Emporia, Greensville County, Halifax, Halifax County, La-Crosse, Mecklenburg County, South Boston, South Hill.

Magazines

American Journal of Cardiology, American Journal of Medicine, American Journal of Surgery, Consulting Engineer, Control Engineer, Cutis, Datamation, Dun's Business Month, Electric Light & Power, Fire Engineering, Graphic Arts Monthly, Highway & Heavy Construction, Industrial Research & Development, Mining Equipment International, Plant Engineering, Power Engineering, Purchasing World, Solid State Technology, Software News.

Other media-related operations

Moody's Investors Services, Reuben H. Donnelley.

OTHER OPERATIONS

Dun & Bradstreet Business Education Services, Donnelley Marketing, Dun & Bradstreet Credit Services, Dun & Bradstreet International, Dun's Marketing Services, National CSS, Salesnet, Financial Services Industry Group, Dun & Bradstreet Commercial Collections, Dun & Bradstreet Credit Services.

Evening News Assn.

Evening News Assn., Detroit, Mich., is the country's 35th largest media company with revenues of \$257.0 million in 1982, up from \$250.0 million in 1981, all from media properties. Profits fell to \$4.0 million in 1982 from \$5 million in 1981.

The biggest property for the ENA, the *Detroit News*, continues to force down profits even as it accounts for the largest portion of the company's revenues. More profitable properties in the Sunbelt and California feed the *News* as it battles Knight-Ridder Newspapers' *Detroit Free Press* in what has become the pre-eminent newspaper fight in the nation.

One casualty of the fight, *News* editor Bill Giles, quit this spring, catching ENA executives and the *News* staff by surprise. Lionel Linder moved from execu-

tive editor up to editor. (See story on opposite page.) Mr. Linder had followed Mr. Giles to the *News* from Dow Jones' *National Observer*, where they had worked together for some years.

Mr. Linder said he would follow the path set by Mr. Giles for the *News*. Rather than watching the day-by-day changes of the *Free Press*, Mr. Linder said, "I think of strategies to put us in an impregnable position."

Meanwhile, the troops keep struggling in the trenches. The *News* has been steadily expanding a test of morning delivery in Oakland County Detroit suburbs. That doesn't mean the *News* is considering giving up its afternoon home delivery, various *News* executives said. "It provides the customer with what

he ought to have: A choice, morning or afternoon," Mr. Linder said. Most have chosen to keep afternoon delivery, he added.

When the *Free Press* announced plans for suburban zoned sections on Thursdays, the *News* came out with its own Thursday suburban sections. The *Free Press* switched agencies, from D'Arcy Mac Manus & Masius to W.B. Doner & Co., in November.

The *News* switched agencies, from N W Ayer to Yaffe Berline, in December.

The Yaffe Berline spots, with *News* cartoon character Motley the Cat, suggest that the only thing the *Free Press* is good for is wrapping fish.

Other competition failed to

strike fear into the hearts of *News* editors. The *News* didn't react to the entry of *USA Today* in Detroit as visibly as the *Free Press* did, because *USA Today* will not cut in to the *News'* mostly home delivery sales.

Competition with broadcast media will be skirted, Mr. Linder said, by aiming *News* editorial content at areas tv and radio can't cover, including longer stories, series and lists of information.

Now that both Detroit papers have distribution and production problems out of the way, they are expected to experience a period of steady growth. Mr. Linder said the *News* should pass the *Chicago Sun-Times* on the circulation list soon. The *News* continues to dominate in

ad lineage and maintain a lead in circulation over the *Free Press*. The *News* had daily circulation (for the six months ending March 31) of 651,763, about 16,000 more than the *Free Press*, and Sunday circulation of 855,461, about 75,000 more than the *Free Press*. Circulation for both papers grew slightly from the last audit period.

Ad lineage figures are more one-sided. The *News* grabs about a 60% share of advertising around town, thanks to dominance in Detroit area circulation. The *Free Press* is stronger outside the city.

Competition has also gotten hotter for the ENA's largest broadcast property, WDVMTV, Washington. A CBS affiliate, WDVMTV still holds the lead

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in 11 p.m. news, but WRC-TV, an NBC-owned-and-operated station, is pulling into a virtual tie with the once dominant WDVN in early news.

In general, broadcast ratings and revenues remain solid, said an ENA spokesman. The company continues to look for a vhf and a uhf station to buy to bring tv holdings up to the Federal Communications Commission maximum.

There is no limit on the number of small daily and weekly papers a company can hold, and the ENA continues to steadily gobble up little papers. The latest, purchased this spring, was the *Mainland Journal*, a 6,500-circulation weekly, located in Pleasantville, N.J. Plans call for ENA subsidiary Times Graphics, which runs several small Eastern Seaboard newspapers, to take charge of the new paper. Since *Mainland Journal* coverage overlaps somewhat with the smaller weekly *Egg Harbor News*, also owned by ENA, their operations may be combined, said a spokesman.

The ENA is also looking to buy another midsize paper, preferably in a Sunbelt monopoly market. In recent years, the ENA's profitable Sunbelt properties have helped float losses

sustained by the flagship *Detroit News*. Cable continues to hold some fascination for the company, the spokesman said, but not enough to make the ENA experiment there yet.

MEDIA PROPERTIES

Broadcasting
TELEVISION: WALA, Mobile Ala.; KOLD, Tucson, Ariz.; KTVY, Oklahoma City; KVUE, Austin, Tex.; WDVN, Washington.
RADIO: WWJ (am) and WJOI (fm), Detroit.

Newspapers
CALIFORNIA: *Indio Daily News*, *Palm Springs Desert Sun*. MICHIGAN: *Detroit News*. NEW JERSEY: *Atlantic County Record*, *Egg Harbor News*, *Hammononton News*, *Millville Daily*, *Vineland Times Journal*.

OTHER OPERATIONS
Times Graphics Printing.

Field Enterprises

Field Enterprises, Chicago, is the country's 23rd largest media company, with 1982 media properties estimated by ADVERTISING AGE at \$377.5 million, or 84% of total revenues estimated by AA at \$450.0 million.

If all goes according to plan, Field will not be in the media business this time next year. In fact, it may not be in business at all.

In mid-April, the privately owned outfit announced that the two Field half-brothers, each of whom owns 50% of the company voting stock, plan to liquidate Field and distribute the assets among themselves or put them up for sale. The move was initiated by Frederick Field, who wanted to pursue his own business interests.

As a result, the *Chicago Sun-Times*, one of Chicago's two major daily newspapers, with revenues estimated at more than \$250 million, was on the block.

Although the company said the paper had achieved "record-breaking profit levels," no visible suitors emerged. According to the liquidation plan, all assets still held at the end of one year will go into a partnership owned equally by the Field brothers.

The timing of the announcement coincided exactly with the completion of a four-year revamp of the newspaper, which included staff additions, expanded sections and ultimately a complete redesign.

For the six-month period ended March 31, *Sun-Times* weekday circulation dropped to 654,957 from 663,410 for the same period a year earlier, compared with archrival *Chicago Tribune*, whose circulation dropped 14,000 to 756,877. In Sunday circulation, the *Sun-Times* was down 1,000, compared with a *Tribune* increase of 20,000.

Even before Field went public with its corporate plan, it had begun to sell off assets. A year ago, it put its five uhf tv stations up for sale. This year the company sold WFLD-TV, Chicago, to Metromedia Inc. for \$140 million, and it has announced plans to sell WLVI-TV, Boston to Gannett Co. for \$47 million, and KBHK-TV, San Francisco, to United Television, Minneapolis, for \$23 million, and WKBD-TV, Detroit, to Cox Communications for \$70 million. Each sale is awaiting Federal Communications Commission approval. The remaining station is WKBS-TV, Philadelphia.

Although Field once had expressed interest in the cable business, a deal in which it would have acquired Eugene, Ore.-based Liberty Communications fell through in mid-1982. Through a Field Cablevision subsidiary, it still operates seven cable franchises in Southern California, serving 17,424 basic and 15,879 pay subscribers. Field is a partner with Subscription Television of America, in Super TV, a subscription tv service in Washington.

While the company had pioneered the teletext area with the formation of Field Electronic Publishing, in April of 1982 it sold the assets of that subsidiary to KEYCOM Electronic Publishing, a partnership formed by Field, Centel Corp. and Honeywell.

KEYCOM distributes KEY-FAX National Teletext Magazine, a 24-hour service available to cable homes via satellite, through a joint venture with

Satellite Syndicated Systems. The magazine offers indexed headlines and continuously updated news, sports, weather, business and entertainment reports.

Also in 1982, Field killed off its string of suburban shoppers.

Richard Giesen, president and chief executive officer of Field Enterprises, resigned shortly after the company announced its liquidation plans. He was succeeded by executive vp Lee Mitchell.

MEDIA PROPERTIES

Broadcasting
TELEVISION: KBHK, San Francisco; WLVI, Cambridge, Mass.; WKBD, Detroit; WKBS, Philadelphia.

Cable/video
Field Cablevision, operator of California-based systems in March Air Force Base, Norton Air Force Base, Beaumont, Redlands, Riverside County, San Bernardino, San Bernardino County. Partner in both Washington-based Super TV pay tv operation and in KEYCOM Electronic Publishing.

Newspapers (dailies)

Chicago Sun-Times
Newspapers (nondailies)
Suburban Sun-Times

OTHER OPERATIONS

Cabot, Cabot & Forbes, Field Realty division, Field Newspaper Syndicate, Independent Press Service, Cellnet Partners.

Freedom Newspapers

Freedom Newspapers, Santa Ana, Cal., is the country's 46th largest media company, with 1982 revenues estimated by ADVERTISING AGE at \$207.7 million, all from media operations.

In 1981, media revenues were an estimated \$194.1 million.

A privately held company, owned by descendants of the late R.C. Hoiles, Freedom Newspapers is a print-oriented media company, although it recently has acquired two tv stations.

But the flagship remains the *Santa Ana Register* in Orange County, the affluent suburban area south of Los Angeles. Freedom also publishes two lesser dailies in this area: *Anaheim Bulletin* and *La Habra-Brea Star Progress*.

The *Register* has been riding the wave of Orange County's explosive growth as its daily circulation rose from 172,000 in 1971 to 253,388 in 1982, according to Audit Bureau of Circulations. Times-Mirror Co.'s *Los Angeles Times*, Southern California's largest daily with nearly 1.1 million circulation, had about 90,000 less circulation in Orange County in 1982. Also, the *Register* is fifth nationally in advertising lineage among newspapers, according to Media Records.

To provide advertisers with total market coverage, Freedom Newspapers launched *Orange County Week* in January, 1983, as a weekly containing repackaged *Register* stories, and mailed to about 800,000 non-*Register* homes in Orange County. In April, 1983, Freedom also began offering *Community Week* as a zoned insert within

the *Register* as a bid to maintain the local news franchise that has eroded because of the newspaper's rapid growth.

The *Register* embarked on an upgrading campaign in recent years that improved its editorial product, reducing the conservative slant in its news pages. The past politicization was attributable to founder Mr. Hoiles' ardent libertarian views.

Mr. Hoiles' heirs are in a dispute over Freedom Newspapers that resulted in a civil suit filed by Harry H. Hoiles, one of three children of the founder.

Harry Hoiles, alleging that others in the family have tried to exclude him from company affairs, wants a California state court to order that Freedom Newspapers be divided up among its owners. The suit is pending and a spokeswoman said it has not affected day-to-day operations.

In other legal matters, Freedom Newspapers is being sued for more than \$30 million by a Los Angeles area businessman, who said the *Register* libeled him in stories by linking him to organized crime.

Freedom Newspapers owns 30 newspapers of which the *Colorado Springs Gazette-Telegraph*, with 88,000 circulation, is next largest after the *Register*. Some of its newspapers have local partners holding minor interests but in all cases Freedom Newspapers is majority owner.

As part of a recent diversification into tv, Freedom purchased WLNE, New Bedford, Mass., the CBS affiliate in the Providence, R.I./New Bedford, Mass., tv market from Pulitzer Publishing Co. in 1983. The company had bought a Medford, Ore., tv station a year earlier.

In other recent developments, Freedom Newspapers sold two smaller New York state dailies and purchased a weekly shopper publisher, Community Press Newspapers, in Denver.

MEDIA PROPERTIES

Broadcasting
TELEVISION: KTVL, Medford, Ore.; WLNE, New Bedford, Mass./Providence, R.I.

Newspapers (dailies)
CALIFORNIA: *Anaheim Bulletin*, *La Habra-Brea Daily Star Progress*, *Marysville Appeal-Democrat*, *Porterville Recorder*, *Santa Ana Register*, *Turlock Daily Journal*, *Victorville Daily Press*. COLORADO: *Colorado Springs Gazette-Telegraph*. FLORIDA: *Fort Walton Beach Playground Daily News*, *Fort Pierce News Tribune*, *Panama City News-Herald*. INDIANA: *Crawfordsville Journal Review*, *Seymour Daily Tribune*. MISSISSIPPI: *Greenville Delta Democrat-Times*. NEBRASKA: *Columbus Telegram*. NEW MEXICO: *Clovis News Journal*. NEW YORK: *Wellsville Reporter*. NORTH CAROLINA: *Burlington Times-News*, *Gastonia Gazette*, *Jacksonville Daily News*, *Kinston Daily Free Press*, *New Bern Sun-Journal*. OHIO: *Bucyrus Telegraph-Forum*, *Lima News*. SOUTH DAKOTA: *Huron Daily Plainsman*. TEXAS: *Brownsville Herald*, *Harlingen Valley Morning Star*, *McAllen Monitor*, *Odessa American*, *Pampa Daily News*.

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Newspapers (nondailies)
ALABAMA: *Dothan Progress*. Three weeklies, Dothan, Alabama. 28 shoppers, Community Press Newspapers, Denver.

Gannett Co.

Gannett Co., Rochester, N.Y., is the fifth largest U.S. media company, with media revenues of \$1.49 billion in 1982, or 98% of total revenues of \$1.52 billion. Newspapers accounted for 76.1% of the total revenue; outdoor advertising, 11.5%, and broadcasting, 10.6%, approximately the same percentages as in 1981.

Media revenues were up 11% from \$1.35 billion in 1981. Total earnings increased 5% to \$180.5 million from \$172.5 million. It was the smallest year-to-year percentage growth in earnings in recent years.

Growth also was slow for the first quarter of this year, with earnings at \$32.2 million, a 2% increase over the first quarter of 1982. It was the smallest quarterly earnings rise in the 62 quarters since Gannett became a publicly held company in 1957.

But in a letter to shareholders, Gannett chairman and president Allen Neuharth said first-quarter earnings "exceeded our expectations, in view of the substantial startup costs of Gannett's new national newspaper, *USA Today*."

According to the company, net income growth from 1981 to 1982 would have "approximated the company's recent historic growth rate," without start-up costs for *USA Today*. (Gannett's percentage earnings increases have been in double figures each year since at least the early 1970s.)

The launching of *USA Today* was, of course, the biggest event of Gannett's year, and may well have been the most highly publicized, closely watched newspaper startup in American history. Beginning with a September roll-out in the Washington-Baltimore area, the color-laden, digest-style broadsheet is now in 15 major markets—the most recent being New York, where distribution began in April.

This fall, *USA Today* will be available in four new markets: Cleveland, Dallas/Ft. Worth, Boston and New Orleans.

A Price Waterhouse circulation report issued soon after the New York introduction says *USA Today* sales have reached 1.1 million copies daily, making it the country's third-biggest weekday paper, behind the *Wall Street Journal* and the *New York Daily News*.

(The company's projections last September called for *USA Today* to reach 800,000 by this April and 1.15 million by the end of 1983, with a long-range goal of 2.35 million by 1987.)

The Audit Bureau of Circulations will begin auditing the paper's circulation in late 1983, after the paper has completed one year of publication.

Reaction to the paper from the media community has varied widely, with critics assailing the once-over-lightly approach fostered by the brevity of the articles and what they perceive as a

stress on appearance over content.

Supporters of *USA Today* praise its skillful use of color, its tight editing, its maps and charts and its sports section. (One indication of the paper's impact is that in many markets where it has begun circulating, local dailies have immediately stepped up their own use of color, bold graphics and digest columns.)

In April, *USA Today* editor John J. Curley was named president of Gannett's newspaper division, replacing John Heseldon, who was named to the new post of deputy chairman.

Replacing Mr. Curley as *USA Today* editor is John C. Quinn, a senior vp who also retains his title as "chief news executive" at

Gannett. Louis A. Weil III was promoted to senior vp-planning and is in charge of Gannett's "Project S" task force, which Mr. Neuharth says is exploring new ways to market the company's news and information.

A spokesman for the company says it is pleased with the advertising progress of *USA Today*. At an April meeting of analysts, Mr. Neuharth reported that the paper averaged 8.3 pages of advertising daily during April, while the projections for the second quarter of 1983 had called for an average of seven pages per issue.

Elsewhere at Gannett in 1982, three daily newspapers were acquired—the *Jackson* (Miss.) *Clarion-Ledger* and *Daily News* and the *Hattiesburg* (Miss.)

American—and the company also bought six Mississippi weeklies. *Westchester County Today*, a suburban New York daily, ceased publication, *Eastbay Today* in California was merged into the *Oakland Tribune*, which the company sold this year. (See story on Page M-46.)

The *Little Falls* (Minn.) *Daily Transcript* was combined with the neighboring *St. Cloud Daily Times*.

In April of this year, the company acquired WTCN-TV in Minneapolis-St. Paul from Metromedia Inc., concurrently selling KARK-TV in Little Rock, Ark., to maintain the legal limit of seven stations.

In the newspaper division in 1982, advertising linage de-

creased 2%; local and national linage both were down 7%, while classified linage fell by 9%. Pre-print linage, however, increased 14%. Daily circulation decreased 1%, while the company said Sunday circulation increased "slightly."

Despite this, both advertising and circulation revenues increased (8.6% and 15.7% respectively) because of increases in advertising and circulation rates and the acquisition of the Mississippi dailies.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KPNX, Phoenix, Ariz.; KBTB, Denver; WXIA, Atlanta; WPTA, Fort Wayne, Ind.; WLKY, Louisville, Ky.; WTCN, Minneapolis-St.

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And in this market, the Latin television market audience does its shopping on Channel 23.

Consider: Channel 23 is now the Number One ranked television station in prime access time in the Miami-Metro area.*

Channel 23 is also the Number Two ranked station in the Miami-Metro area during fringe and prime time combined.**

And the Number One ranked independent television station in America's top 20 markets in attracting women aged 25 to 54.***

It does its shopping in Spanish, on television, on Channel 23, the TV channel Miami's Latins watch more and believe in more than any other TV channel in South Florida.

Which means if you're not including Channel 23 in your overall Miami media buy, you're not talking directly to a \$6 billion market.

In plain English, you can't make it in Miami without speaking Spanish. On Channel 23.

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**Source: Arbitron 2/83/44on-Fri 7:00-8:00 pm.

***Source: Arbitron 2/83/Mon-Fri 6:00-10:00 pm.

Bucking a national trend

By Gary Levin

Robert Clyde Maynard is one happy newspaperman. At 46, he is the first black to own, edit and publish a major metropolitan daily, the *Oakland* (Cal.) *Tribune*. "I'm elated," he said in an interview shortly after he purchased the 109-year-old paper in April (AA, May 2).

But Mr. Maynard is annoyed, too, at the amount of media coverage heaped upon him because of his skin color. "I hope that after 200 years, it shouldn't come as a surprise that a black is the owner of a major American newspaper," he says.

The bigger surprise, he says, is that he bought the *Tribune* from the mighty Gannett Co., bucking a national trend.

Prompted in part by Gannett's intense desire to buy San Francisco's KRON-TV, and the Federal Communications Commission's position against media crossownership in the same market, the *Tribune* had been on the auction block since October.

Like many other dailies, the paper has lost some ad revenues, concentrated mostly in the classified department, Mr. Maynard says. But it has posted some gains in the last few years as well: Ad linage has increased in the airline, tobacco and retail categories.

Other improvements have been made since Gannett bought the *Tribune* in 1979 and named Mr. Maynard its editor. More wire services, better sports and business coverage have been added, but Mr. Maynard, who also became publisher in 1981, has grander visions for the now privately owned paper. "Everything can be improved upon, including this newspaper," he says.

Mr. Maynard says readers will probably see more "fine-tuning" than any major changes in the *Tribune*. He'd like to improve the paper's graphics, no doubt to keep up with Gannett's own *USA Today*.

And he'd like to expand its suburban penetration, a key

Gary Levin is a writer in Chicago.

step in retaining the *Tribune's* already faltering 166,700 circulation. (The *Tribune* was combined with *East Bay Today* in October. Audit Bureau of Circu-



Maynard: Fine-tuning Oakland's coverage.

lations figures for EBT in September were 69,776, down from 81,772.)

One reason for the recent drop-off in figures is the uncertainty surrounding the fate of the newspaper after Gannett announced it would sell the *Tribune*.

No less a factor was the simultaneous change from a p.m. to an a.m. cycle and the consolidation of a home-delivered afternoon edition, the *Oakland Tribune*, with an earlier, street sale version, *East Bay Today*.

Ever the optimist, Mr. Maynard says any readership losses will be short term. The "excellent reaction" of the Oakland community to the change of ownership has put the paper back on solid ground, and though it lost \$3 million last year, Mr. Maynard expects to break even in 1983.

"There's a general sense of confidence when our future is assured," he says. (Some speculate that Gannett might have closed the paper if a buyer wasn't found.)

If the *Tribune's* destiny is certain, then so is that of its new owner. The former high-school dropout, who began his journalism career at several ethnic newspapers, including the *Afro-American News* in Baltimore,

worked for six years as a reporter for the *York* (Pa.) *Gazette* and *Daily* before becoming a Nieman fellow in journalism at Harvard in 1966.

Mr. Maynard then was hired as a reporter by the *Washington Post* in 1967, where he subsequently moved up the ranks as an associate editor, ombudsman and editorial writer. He joined the *Tribune* in 1979 after spending two years at the University of California at Berkeley in charge of a teaching institute for minority journalists.

Although he says he's not convinced that minorities have gotten a fair shake among newspaper staffs, "I'm sure [the situation] will improve soon."

And it may. Mr. Maynard plans to increase his editorial and advertising staff to facilitate broader coverage of the Bay Area market, but not necessarily with minorities. His current employees have been appreciative of Mr. Maynard's efforts to negotiate the \$22 million purchase of the *Tribune*: The paper's unions ratified the agreement by a 9-to-1 margin.

A co-worker describes Mr. Maynard as a boss who's easygoing and even-tempered, but at the same time demanding and very committed to his work.

"He's very approachable," she says. "He wanders through the newsroom all the time, and doesn't just sit behind a desk in his office."

His dedication to *Tribune* employees is perhaps best exemplified by the way he announced his purchase of the paper. Before any of the media were contacted, Mr. Maynard called the entire staff to an early cocktail reception, where several members of the board of directors mingled with reporters and salespeople.

That decidedly uncorporate-like spirit seems to have worked at the *Tribune*. Mr. Maynard paints nothing but the best picture for the paper's future, and he thinks his pioneering effort at breaking away from the chains can work at other papers, too.

"Now that we've proved that it can be done, our solution may apply elsewhere."

Rockland Newspapers—*Marionette Daily Times*, *Mount Vernon Daily Argus*, *New Rochelle Standard-Star*, *Nyack-Rockland Journal News*, *Ossining Citizen-Register*, *Port Chester Daily Item*, *Tarrytown Daily News*, *White Plains Reporter-Dispatch*, *Yonkers Herald Statesman*. OHIO: *Chillicothe Gazette*, *Cincinnati Enquirer*, *Fremont News-Messenger*, *Marietta Times*, *Port Clinton News Herald*. OKLAHOMA: *Muskogee Daily Phoenix* and *Times-Democrat*. OREGON: *Salem Statesman-Journal*. PENNSYLVANIA: *Chambersburg Public Opinion*, *Lansdale Reporter*, *New Kensington Valley News Dispatch*. SOUTH DAKOTA: *Siofax Falls Argus Leader*. TENNESSEE: *Knoxville Journal*, *Nashville Tennessean*. TEXAS: *El Paso Times*. VERMONT: *Burlington Free Press*. VIRGIN ISLANDS: *St. Thomas Daily News*. WASHINGTON: *Bellingham Herald*, *Olympian* (Olympia). WEST VIRGINIA: *Huntington Herald-Dispatch*. WISCONSIN: *Green Bay Press-Gazette*, *Wausau/Merrill Daily Herald*. NATIONAL: *USA Today*.

Newspapers (nondailies)
CONNECTICUT: *Norwalk Fairpress*, *Journal-Transcript*, (Windham), *The Community*, (Norwich). DISTRICT OF COLUMBIA: *Washington Pennywhistle Press*. FLORIDA: *Cocoa Tribune*, *Donita Springs Extra*, *Melbourne Times*, *Seminole Citizen News*, *Titusville Star-Advocate*, *The Times News Weekly*, (Gainesville). GEORGIA: *Poultry Times*, *Poultry Egg Marketing* (Gainesville monthly). MISSISSIPPI: *Clinton News*, *Gautier Independent*, *Lumberton Headblock*, *Madison County Herald*, *Ocean Spring Record*, *Pearl Press Chronicle*, *Petal Journal*. NEW JERSEY: *Suburban Newspaper Group* (eight weeklies in Cherry Hill), *Salem Sampler*. NEW YORK: *Bronxville Review Press-Reporter*, *Commercial News*, (Saratoga Springs). PENNSYLVANIA: *Butler County News*, *North Hills News Record*, *The Herald* (semiweeklies in New Kensington), *New Kensington Herald*.

Outdoor
Gannett Outdoor Advertising Group, *MEDIACOM* (Canada).

Other media properties
Gannett Newspaper Advertising Sales, Gannett News Service, Gannett Satellite Information Network, Gateway Film Productions, MacNeil-Lehrer-Gannett Productions, *Newscape*, *America Today*.

OTHER OPERATIONS

Louisa Harris & Associates Research, Gannett Offset, Romo Screen Printing, PIA Merchandising.

General Electric Co.

General Electric Co., Fairfield, Conn., is the country's 53rd largest media company, with 1982 revenues from media property estimated by *Advertising Age* at \$175.0 million, or 0.6% of total company revenues of \$26.5 billion.

The revenues from media properties remained unchanged in 1982, according to Sal Belanger, vp-general manager for General Electric Cablevision. However, over-all revenues for the company declined by 3% from \$27.2 billion in 1981. Net earnings increased 10%, from \$1.65 billion in 1981 to \$1.81 billion in 1982.

In its annual report to shareholders, GE noted that tv sales were flat and, despite higher unit volume, operations resulted in a loss because of highly competitive conditions and depressed pricing. However, broadcasting and cable tv revenues more than offset the deficit and showed continued growth.

At the end of the year, GE announced that it was breaking up a partnership with Matsushita Electric Industrial Co. of Japan, Victor Co. of Japan and Thorn EMI Ltd. of the U.K.—a partnership established to develop the video high density (vhd) system, the third of the videodisc systems expected to enter the market. The four partners agreed that the uncertain economic and market environment made it necessary to put off the project and dismantle the vhd program distribution and production company in Hollywood and the vhd disc maker's facility in Irvine, Cal.

GE operates two consolidated media affiliates within its consumer products and services group: General Electric Broadcasting Co., which in 1982 operated three tv stations and eight radio stations, and General Electric Cablevision. The cable tv unit had 314,000 basic subscribers and 200,000 pay subscribers at the end of 1982. The number of basic subscribers increased 18,000 or 6% from the May total of 296,227.

Even though GE is going strong in cable tv, it is pulling out of the areas it helped pioneer. In November, 1982, it announced that it planned to put all of its radio stations and two of three tv stations up for sale. GE, which helped launch radio with WGY (am) in Schenectady, N.Y., in 1922, will keep only KOA-TV in Denver. The company refused to discuss the reasons for its decision.

In 1979, GE had originally planned to spin off its broadcast properties as part of its proposed acquisition of Atlanta's Cox Broadcasting, but the transaction fell through. Then, the properties had been valued at close to \$70 million. This time around the properties are estimated to be between \$90 million and \$100 million.

Meanwhile, GE continues its innovations in cable tv. Last year, along with Cox Cable in San Diego and Storck Cable in New Haven, General Electric Cablevision's Grand Rapids, Mich., system participated in testing programs from Germany. The three systems cablecast four three-hour programs, consisting of selected films and documentaries from the two German public tv networks.

The German program test could help establish a Telefrance-like channel for Germany in this country. GE is deeply involved in some of the technologi-

Paul. RADIO: MUZAK (Arizona, except Tucson); KPRZ (am) and KIIIS (fm), Los Angeles; KSDO (am, fm), San Diego; WIQI (fm), Tampa, Fla.; WYON (am) and WGCI (fm), Chicago; WLQV (am) and WCZY (fm), Detroit; KSD (am, fm), St. Louis; WWWE (am) and WDOK (fm), Cleveland.

Newspapers (dailies)
NATIONAL: *USA Today*. ARIZONA: *Tucson Citizen*. CALIFORNIA: *Independent Journal* (Marin County), *Salinas Californian*, *San Bernardino Sun*, *Stockton Record*, *Visalia Times-Delta*. COLORADO: *Fort Collins Coloradoan*. CONNECTICUT: *Norwich Bulletin*. DELAWARE: *Wilmington Morning News*, *Wilmington Evening*

Journal. FLORIDA: *Cocoa Today*, *Fort Myers News-Press*, *Pensacola Journal*, *Pensacola News-Journal*. GEORGIA: *Gainesville Times*. GUAM: *Pacific Daily News* (Agana). HAWAII: *Honolulu Star-Bulletin*. IDAHO: *Idaho Statesman* (Boise). ILLINOIS: *Danville Commercial News*, *Rockford Register Star*. INDIANA: *Lafayette Journal and Courier*, *Marion Chronicle-Tribune*, *Richmond Palladium-Item*. IOWA: *Iowa City Press-Citizen*. KANSAS: *Coffeyville Journal*. LOUISIANA: *Monroe News-Star-World*, *Shreveport Times*. MICHIGAN: *Battle Creek Enquirer*, *Lansing State Journal*, *Port Huron Times Herald*, *Sturgis Journal*. MINNESOTA: *St. Cloud Daily Times*. MISSIS-

SIPPI: *Hattiesburg American*, *Jackson Clarion-Ledger*, *Jackson Daily News*. MISSOURI: *Springfield Daily News*, *Springfield Leader and Press*. NEBRASKA: *Fremont Tribune*. NEVADA: *Nevada State Journal* (Reno), *Reno Evening Gazette*. NEW JERSEY: *Bridgewater Courier-News*, *Camden Courier-Post*. NEW MEXICO: *New Mexican* (Santa Fe). NEW YORK: *Binghamton Evening Press*, *Binghamton Sun-Bulletin*, *Elmira Star-Gazette*, *Ithaca Journal*, *El Diario-La Prensa* (New York City), *Niagara Gazette*, *Poughkeepsie Journal*, *Rochester Democrat and Chronicle*, *Rochester Times-Union*, *Saratogian* (Saratoga Springs), *Utica Daily Press*, *Utica Observer-Dispatch*, *Westchester*

cal aspects of cable as well. At the end of last year, General Electric unveiled its Comband system at the Western Cable Show.

The new system, which enables cable operators to double the number of cable channels made available to subscribers, is expected to have a dramatic impact on cablecasting. Comband is based on an analog band width suppression system that compresses two picture sources into the space traditionally occupied by one. At the subscriber's end, the technology once again separates and reconstructs the channel as two separate channels.

GE, rich in cash following the sale of its Utah International subsidiary in March for \$2.4 billion—adding to the \$2.5 billion the company had at the end of 1982—is no doubt looking for areas of investment. And cable is being viewed by industry sources as one of the likely beneficiaries.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KOA, Denver; WRGB, Albany, N.Y.; WNGE, Nashville.

RADIO: KFOG (fm), San Francisco; KOA (am) and KOAQ (fm), Denver; WJIB (fm), Boston; WGY (am) and WGFM (fm), Albany, N.Y.; WSIX (am, fm), Nashville.

Cable/video

General Electric Cablevision Corp., in CALIFORNIA: Merced, Tracy, Vacaville, Walnut Creek. ILLINOIS: Decatur, Peoria. INDIANA: Anderson, Evansville (80% interest). MICHIGAN: Grand Rapids, Wyoming. MISSISSIPPI: Biloxi, Hattiesburg. NEW YORK: Watertown.

General Tire & Rubber

General Tire & Rubber Co., Akron, O., through its wholly owned subsidiary RKO General, is the country's 30th largest media company.

Media revenues from New York-based RKO for fiscal 1982 were \$288.2 million, or 12% of total revenues of \$2.47 billion. In 1981, media revenues were \$160.9 million, or about 7% of total revenues of \$2.18 billion.

While revenues remain strong, RKO has faced a number of large hurdles, some of which were not overcome.

Last April, the U.S. Supreme Court refused the company's request that it review a Federal Communications Commission decision, which found improprieties during hearings over renewal of its license for WNAC-TV, Boston.

The high court's refusal disqualified the company from retaining that license.

On May 22, 1982, the former RKO station went on the air for the first time as CBS affiliate WNEV. RKO got \$22 million from the forced sale.

RKO also has been in jeopardy of losing WOR-TV in New York and KHJ-TV in Los Angeles, because of allegations of misconduct by RKO's parent.

Last August, following con-

gressional adoption of an amendment backed by Sen. Bill Bradley (D.-N.J.), RKO began considering plans to move WOR-TV from New York to New Jersey.

The move would serve as a "safe harbor" for RKO, because the rider required the FCC to renew RKO's operating license for up to five years. However, RKO is holding off relocating the station until all litigation is concluded.

Earlier this month, the FCC voted 4 to 0 to reopen the inquiry into General Tire's conduct, and to consider the application of competing Fidelity Television for the Los Angeles TV license.

Last November, RKO took about a \$10 million after-tax

charge in its fiscal fourth quarter. The charge was a write-down of RKO's investment in a joint movie venture with Universal City Studios.

The three-year joint venture program, which began in 1980, requires that RKO contribute \$25 million annually, and that Universal City Studios contribute \$8.3 million for the same period.

The payoff to RKO was to be 75% of the joint venture's revenues—after expenses and distribution fees—as well as additional payments.

The write-down was said to be the result of box office failures on a number of the films.

In the midst of its problems, RKO has forged new ground.

Last August, RKO Radio Net-

works, New York, announced that it would begin offering advertisers a service called CAMERA (Commercial & Management Evaluation Report). CAMERA would enable RKO clients to know not only that a commercial has aired on one of its networks but how it cleared (live, delayed, within or outside a show).

Unlike other networks' clearance services, RKO at the time said that CAMERA is a 52-weeks-a-year analysis.

Market-by-market data are available for weekly reviews, with final audited reports ready within 60 days of the end of each month.

And last August, RKO Radio Networks said that it would pick up the cost for the installation of

three-meter earth stations for RKO I and RKO II affiliates in the top 150 markets, an undertaking valued at \$15 million-plus.

Using transponder space on RCA's Satcom I, the Audio Digital Distribution System will give the network six audio channels. Scientific Atlanta was hired to build and install the dishes.

Also, early last year, RKO became a charter member of the Radio Network Assn. In addition to RKO, other charter members include ABC, CBS, NBC and United Stations.

The aim of the association is to promote better understanding of network radio among advertising agencies and advertisers.

In addition to its broadcast properties, RKO also owns a soft



Did you know there's an easy, inexpensive way to make every TV buy you make, better?

Just a small percentage of your TV budget spent in Outdoor can act like a media insurance policy to protect your advertising investment. And these days every TV advertiser needs insurance.

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Unlike any other media, Outdoor complements TV because it doesn't compete with TV. It's seen away from the clutter and confusion of competing

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To find out how Outdoor can improve every TV buy you make, call the Institute of Outdoor Advertising at (212) 986-5920. Or write: IOA, 342 Madison Avenue, New York, N.Y. 10173.



OUTDOOR MAKES TV LOOK GOOD.

Rating the O & Os

How the network-owned stations fared in the February, 1983, Nielsen sweeps

Network	No. 1 ranked (by shares)	No. 2 ranked (by shares)	No. 3 ranked (by shares)
ABC-TV	WABC (New York) KABC (Los Angeles) WLS (Chicago) KGO (San Francisco) WXYZ (Detroit)		
CBS-TV	WCAU (Philadelphia) KMOX (St. Louis)	KNXT (Los Angeles) WBBM (Chicago)	WCBS (New York)
NBC-TV		WNBC (New York)	KNBC (Los Angeles) WMAQ (Chicago) WKYC (Cleveland) WRC (Washington)

Source: A.C. Nielsen Co., February, 1983, sweeps.

drink bottling division and Frontier Airlines.

The bottling division is one of the 10 largest Pepsi-Cola bottlers in the country. These operations, which are located in Ohio and Indiana, include eight soft drink bottling companies and a canning plant.

Frontier ranks as 13th-largest airline in the country. The Denver-based airline serves 86 cities in 27 states, Mexico and Canada.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WOR, New York City; KHJ, Los Angeles; WHBQ, Memphis, Tenn. RADIO: KHJ (am) and KRTH (fm), Los Angeles; KFRC (am), San Francisco; WGMS (am, fm), Bethesda, Md.-Washington; WAXY (fm), Chicago; WFKO (am) and WROR (fm), Boston; WOR (am) and WRKS (fm), New York; WHBQ (am), Memphis. Also, RKO Radio Networks, New York.

OTHER OPERATIONS

Frontier Airlines, movie production, Pepsi-Cola bottling co.

H&C

Communications

H&C Communications, a privately held company owned by the Hobby family of Houston, is the 44th largest media company in the nation, with revenues estimated by ADVERTISING AGE at \$210.8 million, an increase of 11.9% from 1981's estimated \$188.3 million.

All revenues are from media properties, the largest being the *Houston Post*, which accounted for about 80% of the company's revenues. The remaining are from its broadcast holdings.

H&C Communication will not discuss its operations. In a 1978 *Texas Monthly* article, the company's net worth was estimated at \$200 million.

But Oveta Culp Hobby, chairman and editor, reportedly characterized that estimate to be a little high.

The Hobby family has owned the company since 1939. And despite rumors to the contrary, Harry Hayes, vp-sales and marketing, says that Mrs. Hobby, now 77, remains as involved in the newspaper as ever: "She still runs the paper. You bet she

does."

Both the *Post* and the *Houston Chronicle* remain tight-lipped about the heated newspaper competition in Houston, which this year has been compounded by the presence of *USA Today*. Though Mr. Hayes said *USA Today* has had no effect on the *Post*, he also said the *Post* has, since the arrival of *USA Today*, begun using larger pictures and more color in the newspaper. The *Chronicle* is doing the same.

Other changes the *Post* made last year include introduction of a new travel section and a new arts and entertainment section in its Sunday edition, as well as an expanded focus for its Tuesday business section on financial news, headlining the business section, Investment Tuesday.

Also in mid-May the *Post* began a classified ad promotion, which supports its on-going "The *Post* puts the good in every morning," ad campaign launched last year.

H&C Communication has made no major staff changes in the last year and has not made any media acquisitions or sales.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KPRC, Houston; KVOA, Tucson, Ariz.; WTOK, Meridian, Miss.; WTVF, Nashville. RADIO: KPRC (am, fm) Houston.

Newspaper

TEXAS: *Houston Post*.

Harcourt Brace Jovanovich

Harcourt Brace Jovanovich, New York, is the country's 71st largest media company, with media revenues estimated by ADVERTISING AGE of \$122.4 in 1982, or 21% of total revenues of \$575.3 million.

In 1981, media revenues were \$107.0 million, or 20% of total revenues of \$539.3 million.

The publicly held company's media properties are in its HBJ Communications & Services unit (magazines, tv, insurance, book clubs and management consulting).

The company has two other operating units: HBJ Publishers (books, academic journals and instruction courses) and Sea

World Enterprises (marine parks, food processing and services and land development).

Last March, HBJ posted a fourth-quarter net loss of \$15.9 million, which it partly attributed to a \$27.7 million charge for relocating some of its operations, including book publishing, to San Diego and reorganizing operations.

The corporate office will move from New York to Orlando, Fla., in February, 1984.

For 1982, net income, including the extraordinary charge, fell about 86% to \$3.3 million from \$23.8 million a year earlier as revenues rose approximately 6.7%.

Citing lower sales and higher development costs in its textbook business, the company posted an operating loss of \$4.3 million in the 1982 quarter, contrasted with operating profits of \$3.4 million for the same period in 1981.

The company's publishing division suffered a fourth-quarter loss of \$2.4 million in the 1982 quarter, against earnings of \$5.8 million in 1981. Sea World Enterprises' loss grew to \$1.7 million from \$1.5 million, mirroring recessionary seasonal attendance declines at the marine and land-development unit. On a more positive note, however, earnings of HBJ Communications & Services more than doubled to \$2.1 million from \$960,000.

Despite recent history, J. Kendrick Noble, an analyst with Paine Webber in New York, foresees HBJ's earnings pendulum swinging pleasantly over the next few years.

"By 1985, their earnings picture should look much brighter," he said.

For one thing, Mr. Noble and others say the decade holds promise for HBJ's principal publishing businesses, notably educational books. "That market looks particularly good," he noted. "Stocks in school books and college textbooks have been outperforming the field, and 1985 should be the best year since 1968." In saying so, he cites the baby boom generation giving birth to a new influx of school children.

Over the past year, the big news at HBJ has been in real estate, not publishing. In February, 1981, the company an-

nounced it would, over the course of the next several years, move corporate and certain divisional headquarters out of New York to San Diego and Orlando, Fla.

Several observers have questioned the wisdom of this decision; they particularly worry that top publishing talent will be tougher to come by in the Sunbelt. For his part, Mr. Noble remained "neutral" about HBJ's decision, preferring to adopt a "wait and see" attitude.

In the 1982 annual report, HBJ chairman William Jovanovich—often described as volatile and brilliant—explained that relocating should save HBJ more than \$25 million annually in terms of staff reductions, savings on rent and by faster, more accurate data handling. In saying so, he cited the college department, which moved to San Diego a year ago, and showed a 1982 operating profits increase of 24% on only "slight" upturn in revenues.

Mr. Jovanovich added that over the last year and a half, the company had installed a new chief executive or chief operating officer in 10 operating units. They include the college department, the London headquarters, the Toronto headquarters, Grune & Stratton, Harvest Publishing, Weber Costello and HBJ Insurance.

Other items spurred talk in 1982. Last fall, rumors surfaced that HBJ was for sale, with Gannett Co. its prime suitor. At the time, Mr. Jovanovich adamantly denied any such notion, and the rumors have since died down.

In 1982, the company introduced a newsletter entitled, "Executive Edge," covering such subjects as relocation, contracts, mergers, severance pay and overseas assignments.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WDIO, Duluth, and WIRT, Hibbing, Minn.

Magazines

HEALTHCARE: *Dental Industry News*, *Dental Laboratory Review*, *Dental Laboratory Review Buyer's Guide*, *Dental Management*, *Geriatrics*, *Hearing Instruments*, *Hospital Formulary*, *Modern Medicine*, *Modern Medicine Pocket Guides*, *Neurology*, *Physician's Management*. ENERGY: *Brown's Directory*, *Energy News*, *Energy Week*, *LP-Gas*, *Petroleum Engineer International*, *Pipeline & Gas Journal*, *SGA Directory*. FARM: *Action Pac*, *Colorado Farmer & Rancher*, *Florida Grower & Rancher*, *Kansas Farmer*, *Michigan Farmer*, *Missouri Ruralist*, *Nebraska Farmer*, *Ohio Farmer*, *Pennsylvania Farmer*. EDUCATION: *Instructor*, *Industrial Education* (Instructor Action Cards, Instructor Computer Director for Schools, Instructor Education Service, Industrial Education Product Sales Cards.) MERCHANDISING: *ASIA Show Daily*, *Body Fashions/Intimate Apparel*, *Body Fashions/Intimate Apparel Directory*, *Body Fashions/Intimate Apparel Market Maker*, *Flooring*, *Flooring Market Shoppers*, *Gourmet Today*, *Home & Auto*, *Home & Auto*

APAA Show Dailies, *Home & Auto Buyer's Guide*, *Hosiery & Underwear*, *House-ware*, *Housewares Show Stoppers*, *Housewares USA*, *NEOCON Market Shopper*, *Pets/Supplies/Marketing*, *Rent All*, *Rent All Show Dailies*, *Selling Christmas Decorations*, *Toys*, *Hobbies & Crafts*, *Toys, Hobbies & Crafts Directory*, *Toy Trade News*, *Hobby Show News*. FOOD SERVICE & PROCESSING: *Food Management*, *Food Plant Ideas*, *Idea File*, *Food Plant Ideas Post Cards*, *Quick Frozen Foods*, *Quick Frozen Food Directory of Frozen Food Processors*. COMMUNICATIONS: *Communications News*, *Telephone Engineer & Management*, *Telephone Engineer & Management Directory*, *Telephone Engineer & Management Fast Action Post Cards*. TRAVEL & LODGING: *Directory of Incentive Travel International*, *Hotel & Motel Management*, *Hotel & Motel Management Buyer's Guide*, *Quick Order Product Directory*, *Worldwide Meetings & Incentives*, *Worldwide Meetings & Incentives Destination Guide*. MANUFACTURING, DISTRIBUTION & SERVICE: *Drug & Cosmetic Industry*, *Drug & Cosmetic Catalog*, *International Turfgrass Show Daily*, *Lawn Care Industry*, *Lawn Care Industry Show Daily*, *Paper Sales*, *Paper Sales Convention News*, *Paper Year Book*, *Pest Control*, *Pest Control Show Daily*, *Professional Remodeling*, *Roofing/Siding/Insulation*, *RSI Extra*, *Snack Food*, *Weeds*, *Trees & Turf*. MAGAZINES FOR INDUSTRY: *Beverage Industry*, *Beverage Industry Annual Manual*, *Candy Marketer Quarterly*, *Candy & Snack Industry*, *Candy & Snack Industry Buying Guide*, *Dairy Field*, *Dairy Industry Catalog*, *Food & Drug Packaging*, *Food & Drug Packaging Post Cards*, *Paperboard Packaging*, *Official Board Markets*, *International Container Directory*, *Official Container Directory*, *Books for Industry*, *Inside Industry*, *Candy & Snack Industry Update*. GRIDLEY PUBLICATIONS: *DVM*, *Newsmagazine of Veterinary Medicine*.

Newsletters

Aviation Monthly, Business Digest, Cosmetic Insiders Report, Executive Edge, Homeowners Advisory Letter, Investing in Real Estate, Managing: The Entrepreneur's Guide to Success, Real Estate Investing Letter, Rental House & Condo Investor.

OTHER OPERATIONS

Book publishing, instructional materials, insurance, management consulting, Sea World Enterprises.

Harte-Hanks Communications

Harte-Hanks Communications, San Antonio, is the 24th largest media company, with media property revenues of \$333.8 million in 1982, or 84% of total revenues of \$396.9 million. Media revenues rose 11% from \$300.9 million in 1981, or 86% of total revenues, while total revenues were up 14% from \$348.5

million.

The publicly owned company reported that 50% of its revenues in 1982 came from newspapers and commercial printing. Consumer direct marketing accounted for 28%, while radio, tv and cable contributed 20.6% of the total.

Total earning last year rose 8% to \$27.3 million from \$25.4 million.

Harte-Hanks owns and operates 28 daily newspapers; 75 nondaily publications, including weekly newspapers; advertising publications produced by newspapers, and a trade publication for the radio industry. The company also publishes shoppers that are zoned into more than 300 separate editions, reaching 3.2 million households weekly, owns four vhf network affiliated tv stations, five am and six fm radio stations and a division that develops entertainment programs and products. The company also owns or manages nine cable systems, owns and operates six marketing services companies, 18 direct mail systems—with direct mail programs reaching 96% of American households—and has seven alternate delivery systems, which can reach 2 million households via hand delivery.

In a letter to stockholders in the HHC 1982 annual report Robert G. Marbut, president and chief executive officer, said, "Over-all strategy for 1982 was one of restraint," with yearend emphasis on basic operations including improving productivity, generating revenues, controlling expenses and managing assets and people more prudently.

Results of that strategy are most noted in HHC's hottest area of development, Consumer Distribution Marketing (CDM). CDM is HHC's vehicle for offering advertisers total market coverage through a variety of advertising alternatives branching off from its shopper publications. For CDM, 1982 was a year of realignment.

Charles H. Everill was named CDM president, moving from senior vp of marketing, head of cable operations, a newspaper publisher and a newspaper group president. He succeeded C. Ben Rogers, who left the company.

Last year CDM was geographically realigned into three new operating groups: CDM East, CDM West and CDM South, plus a Marketing Services group offering research, telephone marketing and computer services. Also, several operations in California were consolidated to create new Southern California and northern California divisions.

New mail services introduced at CDM this year include mail order merchandising, direct mail couponing and single sheet inserts, expansion of its marriage mail service and hand delivery service. CDM also launched a trucking service in several markets as an added service for commercial printing and direct mail customers.

And CDM's research company, RMH Research, began last year serving as research coordinator in a two-year electronic publishing test conducted

by Associated Press and CompuServe.

Other HHC changes during 1982 included 13 HHC newspaper in Texas developing computerized subscriber/nonsubscriber lists for their markets to be used as a database for distributing advertising material on either a total market penetration basis or on a selective basis, targeting Zip codes.

In radio, HHC introduced am stereo last year into its radio stations in Birmingham, Ala., Houston and Phoenix, Ariz., a first in all three markets.

Radio formats of the Tampa/St. Petersburg, Fla., am station and of the Houston am and fm stations were shifted.

And HHC radio stations in Memphis, Tenn.; Portland, Ore.,

and Birmingham were put up for sale. To date only WEZI-FM, Memphis, has been sold, to Firstcom Corp., Little Rock, for \$3.4 million.

HHC's cable efforts are currently focused on promoting its recently rebuilt Pasadena system.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WTLV, Jacksonville, Fla.; KYTV, Springfield, Mo.; WFMY, Greensboro, N.C.; KENS, San Antonio, Tex. RADIO: WSGN (am) Birmingham, Ala.; KOY (am) and KQYT (fm), Phoenix, Ariz.; WRBQ (am and fm), Tampa/St. Petersburg, Fla.; KMJK (fm), Lake Oswego/Portland, Ore.; WEZI (fm), Memphis; KKBQ

(am and fm), Houston/Pasadena, Tex.; WRVA (am) and WRVQ (fm) Richmond, Va.

Cable/video

COLORADO: Akron, Otis, Yuma (all National Telecommunications Services). TEXAS: Deer Park, La Porte, Morgan's Point (all Kip-Lee CATV); Pasadena (Pasadena CATV); South Houston (South Houston CATV), unincorporated areas of Harris County (NTS of Texas), San Antonio (Consumer Cable Corp., San Antonio, Ch.29, 81%).

Magazines

Radio and Records.

Newspapers (dailies)

ARKANSAS: *Malvern Daily Record*, *Russellville Daily Courier-Democrat*, *Searcy Daily Citizen*, *Stuttgart Daily Leader*.

GEORGIA: *Carrollton Daily Times Georgian*. MASSACHUSETTS: *Middlesex News* (Framingham). MICHIGAN: *Ypsilanti Press*. NEW JERSEY: *Gloucester County Times*, Woodbury. OHIO: *Hamilton Journal News*. SOUTH CAROLINA: *Anderson Independent-Mail*. TEXAS: *Abilene Reporter-News*, *Big Spring Herald*, *Bryan-College Station Eagle*, *Corpus Christi Caller*, *Corpus Christi Times*, *Corsicana Daily Sun*, *Del Rio News-Herald*, *Denison Herald*, *Greenville Herald Banner*, *Huntsville Item*, *Marshall News Messenger*, *Paris News*, *San Angelo Standard*, *San Angelo Times*, *Wichita Falls Record News*, *Wichita Falls Times*. WASHINGTON: *Yakima Herald-Re-*

NO WEEK DAYS

In Colorado, more people read the Rocky Mountain News than any other paper — Every day — 7 days a week.

The latest ABC Audit Report (Sept. 1982) confirms what advertisers already know — the Rocky Mountain News leads the Denver Post in both daily and Sunday circulation throughout Colorado. When you compare ad costs with circulation numbers, only one newspaper is strong every day of the week.



Denver's extraordinary morning newspaper

Rocky Mountain News

A Scripps-Howard Newspaper Represented nationally by Story & Kelly-Smith, Inc.
ATLANTA • NEW YORK • BOSTON • SAN FRANCISCO • CHICAGO • DALLAS • LOS ANGELES • PHILADELPHIA • DETROIT

The pendulum swings against the press

By Gary Levin

Times are getting tougher for libel lawyers and their clients. Not only are more people suing newspapers, magazines and broadcast outlets—they're winning, too.

Media defendants have lost nine out of every 10 recent cases tried before a jury, and awards for damages are escalating at an alarming rate.

But all is not gloomy in the journalism trade, however. A study of recent libel suits by the Libel Defense Resource Center (LDRC), a media-supported research group, says damage awards were reduced or reversed in four of every five cases appealed.

Yet that finding comes as small comfort to libel attorneys and media companies, who find themselves warding off potential and actual lawsuits with ever-increasing frequency.

After a tide of pro-First Amendment sentiment following the celebrated Pentagon Papers and *New York Times v. Sullivan* cases, why the upswing in successful libel actions? Some lawyers attribute the turnaround to an anger felt by the general population toward guardians of the public trust.

Dan Feldman, who represents Chicago-based Field Enterprises for Isham, Lincoln & Beale, says it's an aspect of consumerism: "The population at large distrusts newspapers because they're institutions; it happens in every recession." Adds attorney Don Reuben, of Reuben & Procter (which represents Tribune Co.): "Very few organizations generate such emotion as the media—they're lightning rods."

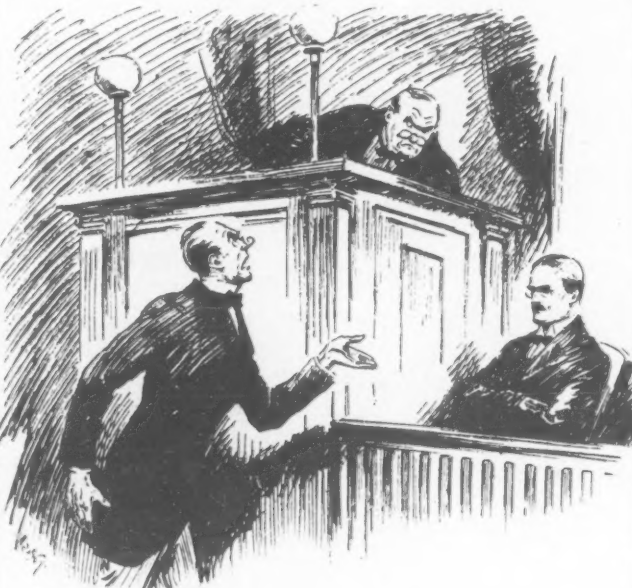
The huge awards levied against the media, and the publicity that surrounds them, inspires further lawsuits by persons who believe they've been defamed. Defense lawyers,

meanwhile, can no longer ignore potential suits against them as unwinnable.

"You have to regard these cases as more serious than you did," says Mr. Feldman. "In the past, they were usually dismissed on a point of law without a trial. Now, you have to raise the level at which you defend clients, because you can't count

on a sympathetic jury."

There's a concern that juries may not understand or be willing to apply the applicable law as they're instructed by the court," says David Sanders of Chicago-based Jenner & Block



on a sympathetic jury."

That more cases are being decided by juries that are increasingly unsympathetic is disquieting for journalists and their lawyers. The recent case against the *Washington Post* brought by Mobil Corp. president William Tavoulareas, which ended in a \$2.1 million settlement against the *Post*, is a good example. That decision was later overturned.

The jury in the *Post* case virtually ignored the instructions given to it by the judge, experts say. It decided the case on the

(which represents ADVERTISING AGE and other Crain Communications publications).

That fear, coupled with the fog shrouding the issue of public vs. private figure status, has made it virtually impossible to gauge the reaction of juries, and in some cases, judges as well. The result is an often confrontational setting in the courtroom that pits the media defendant against the discovery process of the court itself.

As publishers and broadcasters rely more upon special privilege claims, including protec-

tion of sources, and demand access to sealed court records, judges will be more apt to rule against them.

A case in point is the still-pending suit against CBS News by former Army Gen. William C. Westmoreland for CBS's "Vietnam Deception" documentary, after it already had made portions of the report available to the public.

"The media are going to have trouble as long as they take on the judicial system, which is the cause of their troubles," says Mr. Reuben. "The court looks at it differently when the media says to it, 'I'm going to defy your order.'"

One remedy for the legal entanglements prompted by the burgeoning caseloads is the summary judgment proceeding, which dismisses a suit before trial or on appeal if an evidentiary standard cannot be met. The summary judgment has been "the rule rather than the exception," says the LDRC's general counsel, Henry Kaufman, who reports that the motions filed by media defendants have been successful in three out of every four cases filed in the last few years.

When the tough standard of "actual malice" is applied in public figure cases, eight out of 10 motions for summary judgments are granted.

Still, the threat of legal action is enough to keep journalists on their toes and to ensure that their attorneys stay busy and wealthy.

"It'll get worse before it gets better," says Mr. Reuben of the recent trend in media law. "The pendulum is going against the press, and newspapers ought to remember that they're going to be treated like every other citizen."

"There are no special privileges anymore; they've just got to have a fetish for accuracy."

public.

Newspapers (nondailies)
ARKANSAS: *Charleston Express*, *Dardanelle Post-Dispatch*, *Greenwood Democrat*, *Malvern Meteor Journal*, *Malvern Pennysaver*, *Paris Express-Progress*, *Russellville Weekly Courier-Democrat* (advertiser), *Searcy Pennysaver*, *Grand Prairie Shopper's Guide* (Stuttgart). ARIZONA: *Tucson Shopper*. CALIFORNIA: *Coronado Journal*, *La Jolla Light*, *Pennysaver* (Southern California), *Potpourri* (Santa Clara County), *Sentinel*, *Star-News*, *Star-News Advertiser*, *Tele-saver* (San Diego County), *San Francisco Progress*. FLORIDA: *The Flyer* (Miami/Fort Lauderdale). GEORGIA: *Bowden Bulletin*, *Bremen Gateway*, *Haralson County Tribune* (Buchanan), *Carrollton Dollar Saver*, *Carrollton Times-Advertiser*, *Douglas County Sentinel* (Douglasville), *Sweetwater News Enterprise* (Austell), *Tallahassee Journal-Beacon*, *Walton*

Tribune (Monroe). MASSACHUSETTS: *Tri-County TV Facts* (Framingham). MICHIGAN: *Shopper's Showcase* (Ypsilanti). NEW JERSEY: *Condominium and Apartment Guide*, *Gloucester County Times Advertiser*, *Gloucester County TV Times*, *Preferred Properties*, *Our Town* (all Woodbury). OHIO: *Fairfield Echo*, *Edgewood This Week*, *Greater Cincinnati Homes*, *Journal Shopping News*, *Middletown Shopping News*, *Oxford Shopping News*, *Pulse-Journal*, *Pulse-Journal Shopper* (all Hamilton). SOUTH CAROLINA: *Shopping Guide*, *Home Buyers Guide*, *Homeowner*, *Greenville's Good Life*, *Orange and White* (all in Anderson). TENNESSEE: *Gatlinburg Press*, *Mountain Visitor*, *Bert's Bargain Bonanza* (all in Gatlinburg), *Sevier Country News-Record* (Sevierville). TEXAS: *Abilene Magazine*, *Skyrider* (Abilene), *Big Spring Window Shopper*, *Border Eagle* (Del Rio), *Brazos Marketplace*

(Bryan/College Station), *Commerce Journal*, *Commerce Advertiser*, *Cooper Review*, *Corpus Christi Pennysaver Plus*, *Corpus Christi Community Life*, *Navy Flighttime* (Corpus Christi), *Corsicana Weekly Light*, *Central Texas Dollar Saver* (Corsicana), *El Paso Shopping Guide*, *Greenville Green Wave Advertiser*, *Greenville Homes on Parade*, *Mail Bag Bargains* (Huntsville), *Marshall Dollar Saver*, *Paris Merchandiser*, *Lamar County Echo* (Paris), *Shoppers Guide* (Dallas), *Tarrant and Collin Counties*, *Showcase*, *Monitor*, *San Angelo Scene*, *West Texas Extra*, *San Angelo* (all in San Angelo), *Sheppard Senator* (Wichita Falls). WASHINGTON: *Yakima Valley Scene*, *Yakima Valley View*, *Mail Bag* (Yakima).

OTHER OPERATIONS

AAA Direct Mail Advertising, Salt Lake City; Abilene Publishing, Abilene, Tex.; Advertising

Distributors of Illinois, Chicago; Advertising Distributors of Maryland, Baltimore; American Advertising Service of Cincinnati and Dayton, O.; Lexington and Louisville, Ky.; Memphis, Tenn.; and New Orleans; Corpus Christi Commercial Printing; Greater Houston Mailing Service; Jordan Dennis Co., Canton, Mass.; Media Research and National WATS Services, Fair Lawn, N.J.; Nortex Offset Publications, Wichita Falls, Tex.; Publisher's Offset, San Diego; Publishers Mailing Service, Wilkes-Barre, Penn.; RMH Research, Fair Lawn, N.J.; R&R Entertainment, Los Angeles; TRIM, Los Angeles; Tele-Research, Los Angeles; Urban Data Processing, Burlington, Mass.; Western States Marketing Corp., Albuquerque, N.M.

Hearst Corp.

Hearst Corp., New York, is the ninth largest U. S. media

company, with 1982 media property revenues estimated by ADVERTISING AGE at \$1.30 billion. Total revenues of the closely-held company were not available. In 1981, its media revenues were estimated at \$1.20 billion.

Hearst, founded by newspaper magnate William Randolph Hearst Sr., bills itself as the foremost monthly magazine publisher in the nation and is expanding on all media fronts. Tv holdings were enlarged with two tv station acquisitions in the past two years.

Hearst made a major entry into cable tv programming (in a joint venture with American Broadcasting Cos.) two years ago. It bought several small cable systems in early 1983, for the first time becoming a cable system operator. A trouble spot is the newspaper division, which operates unprofitable dailies in several major markets, although its money-losing Boston property was sold in 1982.

In magazine operations, Hearst's most significant move has been purchasing *Redbook* and Charter Data Services, the Des Moines, Ia.-based subscription fulfillment company. Both were acquired from Charter Co. in spring, 1982, for \$23 million in cash and promissory notes.

Upon taking the reins of *Redbook*, Hearst replaced its top brass and repositioned the magazine. The prime demographic target is now women aged 25 to 44, rather than young mothers 18 to 34. The new target group puts *Redbook* between Hearst's younger-skewing *Cosmopolitan* and older-appeal *Good House-keeping*.

The United Technical Publications division launched *Integrated Circuits* in November, 1982, an electronics magazine with six times annual frequency that is expected to be a monthly in 1984. Bound into it will be several directory publications that Hearst already offers in the same field.

Among its major consumer magazines are *Sports Afield*, *Harper's Bazaar* and *Popular Mechanics*. Besides acquisitions such as the *Redbook* purchase, Hearst is developing new properties. A men's fashion magazine, *Men's Bazaar*, is one possibility that has been shelved for the time being. *Country Living* and *Colonial Homes* are successful startups launched in recent years.

Among significant executive shifts in magazine operations, Thomas Losee, assistant to the magazine division general manager, was promoted to *Science Digest* publisher in July. He replaced Charles Mandel, who left the company.

The company created Hearst Broadcasting Productions in January, 1983, stepping up its tv syndication activities. Hearst hopes tv syndication operations will synergistically mesh with its tv station holdings, which were expanded with the addition of WDTN-TV, Dayton, O., in 1981 and KMBC-TV, Kansas City, in 1982. With those tv stations, Hearst operates five vhf tv stations, the most permitted by the Federal Communications Commission.

More recently, Hearst has

been on the march in cable tv. Daytime, the advertiser-supported basic cable tv network geared to women, expanded from a four-hour long, Monday-through-Friday afternoon schedule to eight hours seven-days-a-week. Further schedule expansion is planned. The women-oriented network is a joint venture with ABC Inc. through Hearst/ABC Video Services, formed in June, 1981. In January, 1983, the joint venture assumed operation of the ad-supported cultural cable tv service, ARTS, which ABC had started.

Both basic cable networks operate in the red, as do most other ad-supported cable tv networks, which generally had a lackluster year in 1982.

But in April, 1983, Hearst purchased three cable tv systems, with an aggregate total of 20,000 subscribers in the San Francisco Bay Area cities of Milpitas, Los Gatos and Santa Clara. The acquisition from Group W Cable marked Hearst's entry into cable tv system operations. Newspaper operations made a major divestiture, selling for \$1 million Hearst's money-losing *Boston Herald American*. Rupert Murdoch was the buyer, taking over in December, 1982, and changing its name to the *Boston Herald*.

Several other Hearst big city newspapers are also ailing.

Losses at the *Los Angeles Herald Examiner* are believed to run into the millions annually. The *Herald Examiner*, with a 265,401 daily circulation as of March, 1983, has been in decline for more than a decade, although it is still the market's second-leading newspaper after the 1.1 million circulation *Los Angeles Times*.

To bolster it, Hearst purchased 28 Southern California weeklies and two small dailies in 1981, whose pages are offered to *Herald Examiner* advertisers in a special group buy. In 1982, the *Herald Examiner* made the transition from a p.m. to an a.m. newspaper.

"I am not discouraged by what has been happening" with the recent *Herald Examiner* changes, said Robert Danzig, vp-general manager of Hearst's newspaper division.

Hearst's *Seattle Post-Intelligencer* is combining printing and ad sales with competitor *Seattle Times*, under a joint operating agreement. *Post-Intelligencer* losses for the first seven months of 1982 were put at \$4 million. The Blethen family and Knight-Ridder Newspapers operate the *Seattle Times*.

"What's often overlooked is that we have splendid newspaper properties" elsewhere, such as San Francisco, Albany, N.Y., and San Antonio, said Mr. Danzig.

In June, 1982, Hearst sold its 5% interest in money-losing United Press International to a privately held company.

Hearst is a major book publisher although these operations are not counted among media properties. Also not included among media properties is the Hearst-operated King Features Syndicate, which distributes popular newspaper comics strips

such as "Popeye" and "Blondie."

MEDIA PROPERTIES

Broadcasting

TELEVISION: WBAL, Baltimore; KMBC, Kansas City, Mo.; WDTN, Dayton, O.; WTAE, Pittsburgh; WISN, Milwaukee. RADIO: WTAE (am) and WHTX (fm), Pittsburgh; WAPA (am), San Juan, Puerto Rico; WISN (am) and WLPX (fm), Milwaukee, and WBAL (am) and WIYY (fm), Baltimore.

Cable/video

Hearst Cablevision of California (20,000 San Francisco Bay Area subscribers).

Magazines

Colonial Homes, *Connoisseur*, *Cosmopolitan*, *Country Living*, *Good Housekeeping*, *Harper's Bazaar*, *House Beautiful*, *Motor Boating & Sailing*, *Popular Mechanics*, *Redbook*, *Science Digest*, *Sports Afield*, *Town & Country*. Also, the Hearst Books/Business Publishing Group, which includes United Technical Publications, has more than 35 titles including the following: *American Druggist*, *Electronic Products*, *EEM-Electronic Engineers Master*, *I.C. Update*, *I.C. Master*, *Integrated Circuits*, *Motor*, *Today's Office*, *Office World News*, *Lens*, *Lens On Campus*, *Floor Covering Weekly*, *Industrial Machinery News*, *Black Book Guides*.

Newspapers (dailies)

CALIFORNIA: *Daily Southeast News* (South East Los Angeles), *Huntington Park Daily Signal*, *Los Angeles Herald Examiner*, *San Francisco Examiner*. ILLINOIS: *Edwardsville Intelligencer*. MARYLAND: *Baltimore News-American*. MICHIGAN: *Huron Daily Tribune* (Bad Axe), *Midland Daily News*. NEW YORK: *Albany Knickerbocker News*, *Albany Times Union*. TEXAS: *Midland Reporter Telegram*, *Plainview Herald*, *San Antonio Light*. WASHINGTON: *Seattle Post-Intelligencer*.

Newspapers (nondailies)

29 weeklies in California and two in Michigan.

OTHER OPERATIONS

Arbor House Publishing, Avon Books, Cal Graphics, Charter Data Services, Communications Data Services, Eastern News Distributors, Hearst Advertising Service, Hearst/ABC Video Services (joint venture with ABC Inc.), Hearst Broadcasting Productions, Hearst Cable Communications, Hearst Metrotone News, Hearst Special News Service, International Circulation Distributors, King Features Entertainment, King Features Syndicate, William Morrow and Co., National Magazines Co. Ltd. (in the United Kingdom), Periodical Publishers Service Bureau, Pjepsot Paper, Puck-The Comic Weekly, Reader Mail, Arthur Schroeder Paper Co.

Houston Chronicle Publishing Co.

Houston Chronicle Publishing Co., Houston, is the 54th largest media company in the nation, with 1982 revenues estimated by ADVERTISING AGE at \$167.9 mil-

lion, all from its sole business, the *Houston Chronicle*. For the fifth straight year the *Chronicle* remains the nation's leader in classified ad linage, and for the second consecutive year the all-day newspaper holds the No. 2 slot in total advertising linage in the nation, second only to the *Los Angeles Times*.

The *Chronicle* is part of the Houston Endowment, a private charitable foundation created upon the death of Houston businessman Jesse H. Jones in 1956. Mr. Jones left the newspaper, several banks, corporations and various other properties to the endowment.

A federal tax statute, the Tax Reform Act of 1969, requires that by mid-1989 the endowment own no more than 50% interest in the *Chronicle*, but to date there have been no reports of negotiations for sale of the newspaper. Two years ago, industry analysts said the newspaper could be sold for \$200 million to \$400 million.

Sen. Lloyd Bentsen of Texas has made repeated congressional attempts to exempt the *Chronicle* from the tax code. During his successful reelection campaign last year he vowed to continue offering exemption solutions until one passes.

In January, the *Chronicle* and the *Financial Times* of London began publishing a weekly, multipage section of international business within the *Chronicle's* business section, the first such venture by the *Times* in North America. *Chronicle* marketing director Robert Holt said the section is a "great success."

Also in January, the *Chronicle* launched its first cable venture, "Business Edition," a regional business program co-produced by QUBE cable Houston, Warner Amex Cable Communications and the *Chronicle* which aired both in Dallas and Houston, via QUBE cable.

"Business Edition" presented news, features, profiles and interviews with business leaders with audience interaction, via QUBE cable. The *Chronicle's* business writers presented stories on camera and provided editorial research for the program.

At the end of the program's initial 15-week contract, the *Chronicle* opted not to renew "Business Edition," saying the program would be evaluated. Initial program response was posi-

tive but indicated that Houston demanded a program featuring more city rather than regional concentration, according to Page Haines, manager of planning/special projects.

Both the *Chronicle* and its chief competitor, the *Houston Post*, have taken on aggressive advertising campaigns and promotions during the last year.

In July, the *Chronicle* launched an extension of its image-oriented "celebrity series" ads with a campaign themed, "Year after year, story after story, 'Houston's leading newspaper is the *Chronicle*.'" The strategy of this campaign was to reinforce the *Chronicle's* claim to be the newspaper in town with spots picturing events of recent history, showing how they were covered by the *Chronicle* and indicating that more Houstonians read about these events in the *Chronicle*, according to Mr. Holt.

And today, the *Chronicle* begins a new extension to its ongoing image year-in, year-out series with a new campaign. The campaign includes five 10-second tv spots picturing various aspects of Houston, including sports, arts and business, in quick visual association with the *Chronicle*. Agency for the *Chronicle* is Rives, Smith, Baldwin & Carlberg/Y&R, Houston.

While the *Chronicle* has been an all-day newspaper since 1980, the new campaign marks the newspaper's first "all-out" move by the *Chronicle* to "promote the availability of the *Chronicle*, morning and evening by home delivery," Mr. Holt said.

"Before, if you wanted to read a paper in the morning, you read the *Post*," he said. "Now people in Houston have a choice of morning edition papers and more readers are reading the *Chronicle*; our circulation numbers prove it."

In November, the *Chronicle* began use of its first offset press, a nine-unit Rockwell-Goss Metroliner, which allows the *Chronicle* to run special sections using quality paper. Mr. Holt said the *Chronicle* plans to run "as many special sections using the offset press as often as press costs justify."

The *Chronicle* underwent no major changes in editorial staff or in editorial layout during the last year, with the exception of the business section addition

with the *Financial Times*.

MEDIA PROPERTIES Newspapers (dailies) TEXAS: *Houston Chronicle*.

Howard Publications

Howard Publications, Ocean-side, Cal., is the nation's 64th largest media company, with revenues estimated by ADVERTISING AGE of \$139.5 million in 1982, all from its media holdings. The total is a 22% increase from restated estimated 1981 revenues of \$114.4 million. Media contributions come from newspapers, cable and a leading tv station in Buffalo, N.Y.

Robert S. Howard, founder and owner of the privately held company, declined to release any specific financial figures, but estimated that revenues at his company in 1982 were "in excess of \$100 million."

Howard bought two Iowa daily newspapers in early 1983 from W.H. Hartman Co., a private corporation in Waterloo, Ia. That move brings the company's newspaper ownership to 20 dailies and a total circulation of 460,000. The 60,000 circulation increase over 1981 is a direct result of the purchase of the *Waterloo Courier*, an afternoon paper with a daily circulation of 54,000, and the *Cedar Falls Record*, a morning daily with a circulation of 4,500. Mr. Howard declined to reveal the purchase price.

Over-all newspaper circulation was up 1.5%, excluding the acquisition of the two Iowa newspapers, said Mr. Howard. "Advertising linage was flat, but our dollars were up over-all. We weathered the recession pretty well and like everyone else, we're trying to climb out of a rut."

One goal for 1983 is to "grow a bit," said Mr. Howard, who doesn't rule out plans for new acquisitions and says the company has no plans to sell any of its daily newspapers, which range in size from the *Cedar Falls paper* to the *Hammond (Ind.) Times*, an evening paper with a circulation of 72,000.

Howard's largest newspaper, however, is feeling the strains associated with the distressed steel industry in Indiana, according to employees at the

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Hammond Times. Although circulation of the *Times* grew slightly in 1982, up about 2,000 from 69,774 in 1981, Mr. Howard would not comment on whether the paper was a money-maker.

Howard's only broadcast property is WIVB-TV, a CBS affiliate in Buffalo. Howard bought that station in 1977, and since then, the company said, earnings have risen steadily.

But the company seems most interested in the growth of its cable tv ventures, which Mr. Howard said he is "quite pleased" with to date. The move started in 1981, when Howard entered a joint venture with Donrey Media Group, Fort Smith, Ark., to buy Overthrust Cable TV, a franchise in Evanston, Wyo. In 1982 the two partners bought 80% of Falcon Communications, a cable franchise company based in Los Angeles. Last year at this time, Falcon had only 10,000 cable subscribers in three suburbs of Los Angeles, but the number of subscribers has increased to 35,000, and more towns will soon be added, said Mr. Howard.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WIVB, Buffalo, N.Y.

Cable/video

CALIFORNIA: Alhambra, Huntington Park, Norwalk. WYOMING: Evanston.

Newspapers (dailies)

CALIFORNIA: *Oceanside Blade-Tribune*, *San Clemente Sun-Post*. COLORADO: *Northwest Colorado Press* (Craig). IDAHO: *Twin Falls Times-News*. ILLINOIS: *Charleston Times-Courier*, *Freeport Journal-Standard*, *Mattoon Journal-Gazette*, *Pekin Daily Times*. INDIANA: *Hammond Times*, *Logansport Pharos-Tribune & Press*. IOWA: *Cedar Falls Record*, *Sioux City Journal* (owned jointly with Hagadone Newspapers), *Waterloo Courier*. KENTUCKY: *Maysville Ledger-Independent*. NEW YORK: *Auburn Citizen-Advertiser*, *Corning Leader*, *Glens Falls Post-Star*. PENNSYLVANIA: *Carlisle Sentinel*. SOUTH CAROLINA: *Orangeburg Times & Democrat*. WYOMING: *Casper Star-Tribune*.

Ingersoll Newspapers Co.

Ingersoll Newspapers Co., Sharon, Conn., is the 84th largest media company, with media revenues estimated by ADVERTISING AGE of \$95.0 million, compared to estimated media revenues of \$87.5 million in 1981.

Ingersoll, which publishes 24 daily newspapers and more than 20 weeklies in 11 states, is known in the business as a "newspaper doctor" which assembles syndicates to purchase ailing newspapers, often taking an equity position and then managing the papers.

Structurally, Ingersoll is different than other media companies in this issue in that it operates as a confederation—various properties, all managed and some owned in part by Ingersoll

	How many company-owned stations rank in top five of respective markets (by share of market)?					No. of stations not in top 100	Network affiliation			
	No. 1	No. 2	No. 3	No. 4	No. 5+		ABC	CBS	NBC	Ind.
Capital Cities Communications	5	1	—	—	—	—	4	2	—	—
Times Mirror Co.	3	3	—	—	—	1	2	2	3	—
Hearst Corp.	3	2	—	—	—	—	4	1	—	—
Pulitzer Publications	3	—	1	—	—	—	2	—	3	—
Allbritton Communications Co.	3	1	—	—	—	1	4	—	1	—
Harte-Hanks Communications	3	1	—	—	—	—	1	2	1	—
Knight-Ridder Newspapers	3	1	—	—	—	—	3	1	—	—
Gannett Co.	3	—	4	—	—	—	4	—	3	—
Taft Broadcasting Co.	3	—	1	2	1	—	3	—	1	3
Park Broadcasting	2	3	—	1	—	1	1	5	1	—
Westinghouse Electric Corp.	2	2	2	—	—	—	1	2	3	—
Scripps-Howard Broadcasting	2	2	1	1	—	—	1	1	3	1
Washington Post Co.	2	2	—	—	—	—	1	2	1	—
Cosmos Broadcasting Corp.	2	1	2	—	—	1	—	1	5	—
Cox Communications	2	1	1	2	—	—	2	1	1	2
McGraw-Hill	2	1	—	—	—	1	2	1	1	—
A.H. Belo Corp.	2	—	—	—	—	1	2	1	—	—
Outlet Co.	1	3	1	—	—	—	2	1	2	—
Meredith Corp.	1	2	2	2	—	—	—	2	2	3
Wometco Enterprises	1	1	1	—	1	2	2	2	—	2
Chronicle Publishing Co.	1	1	1	—	—	1	2	1	1	—
H&C Communications	1	1	1	—	—	1	1	1	2	—
Lee Enterprises	1	1	1	—	—	1	—	3	1	—
Oklahoma Publishing Co.	1	1	—	4	1	—	1	1	—	5
Deseret Management Corp.	1	1	—	—	—	—	—	2	—	—
New York Times Co.	1	1	—	—	—	1	—	3	—	—
Multimedia Inc.	1	—	2	1	—	1	—	2	2	1
Viacom International	1	—	2	—	—	—	—	1	2	—
Dispatch Printing Co.	1	—	1	—	—	—	—	1	1	—
Jefferson-Pilot Corp.	1	—	1	—	—	—	—	1	1	—
Metromedia Inc.	1	—	—	4	2	—	1	—	—	6
Courier Journal & Louisville Times Co.	1	—	—	—	—	—	—	1	—	—
Dun & Bradstreet	—	5	1	—	—	—	1	5	—	—
Storer Communications	—	3	3	—	1	—	—	4	2	1
Rollins Inc.	—	3	—	—	—	—	1	1	1	—
Evening News Assn.	—	2	3	—	—	—	1	2	2	—
General Electric Co.	—	2	1	—	—	—	1	1	1	—
LIN Broadcasting	—	1	4	—	—	—	1	—	4	—
Bergen Evening Record Corp.	—	1	1	1	—	1	1	3	—	—
Des Moines Register & Tribune Co.	—	1	1	—	—	1	1	—	2	—
Oak Industries	—	—	—	—	2	1	—	—	—	3
General Tire & Rubber Co.	—	1	—	—	2	—	1	—	—	2
Howard Publications	—	1	—	—	—	—	—	1	—	—
Journal Co.	—	1	—	—	—	1	1	—	1	—
Media General	—	—	2	—	—	1	1	2	—	—
A.S. Abell Co.	—	—	1	—	—	—	—	—	1	—
Freedom Newspapers	—	—	1	—	—	1	—	2	1	—
Tribune Co.	—	—	—	3	1	—	—	—	—	4
Field Enterprises	—	—	—	2	2	—	—	—	—	4
Turner Broadcasting System	—	—	—	1	—	—	—	—	—	1
Cowles Communications	—	—	—	1	—	—	—	—	—	1
Providence Journal Co.	—	—	—	—	1	—	—	—	—	1

Source: A.C. Nielsen Co., February, 1983, sweeps; ADVERTISING AGE 100 Leading Media Companies, 1983 edition; Television & Cable Factbook, Television Digest Inc.

Newspapers, for which there is no consolidated financial report. "It is the closest thing to being public without being public," quips Ralph Ingersoll II, president of each corporation.

Ingersoll Newspapers was founded in the mid-1950s by Mr. Ingersoll's father, noted editor and publisher Ralph McCallister Ingersoll. The elder Mr. Ingersoll was managing editor of *The New Yorker* magazine from 1925 to 1930. He later was pub-

lisher of *Time*, *Life*, *Fortune* and *Architectural Forum* magazines and organized investors to publish *PM*, a daily evening newspaper in New York City.

One of the first papers in the Ingersoll operation was the *Pawtucket-Central Falls (R.I.) Times*, which is the paper where the son began his newspaper career. The elder Ingersoll is no longer active in the company.

The lineup of Ingersoll newspapers indicates there are sev-

eral criteria for inclusion in the group: A suburban location and financial "basket cases" generally suffering from union problems, as Mr. Ingersoll says.

Suburbia is increasingly becoming a factor of ownership "because papers in the suburbs generally offer better growth potential." For example, Ingersoll Newspapers bought from Times Mirror Co. this February the *Orange Coast Daily Pilot* in Orange County, a 40,000 daily

serving Costa Mesa and Newport Beach, Cal.

"The paper was in trouble," says Mr. Ingersoll, "due partly to the application of large-scale operational methods on a small paper." The growth potential, however, is there, perhaps as much as a contract printer as a newspaper, he adds, noting that the well-equipped physical plant at the *Daily Pilot* attracted Gannett to contract printing of *USA Today* for the Los Angeles-San Diego corridor.

Concerning union problems, Ingersoll's *Royal Oak (Mich.) Tribune* and *Massillon (O.) Independent* were embroiled in labor disputes at the time of their acquisition. But Ingersoll, despite experience gleaned from negotiating with the 52 locals around the country, is not free of its own union problems. The *Delaware County (Philadelphia) Times*' plant was fire bombed and the newspaper trucks machine-gunned in a labor dispute which Mr. Ingersoll attributed at the time to poor management.

"Our philosophy is that in a capitalistic society, labor problems usually are caused by management," he says. Unions, even if they are partly the culprit, rarely ever discipline people when they are really out of line, he adds, plugging management's capability of applying swift disciplinary measures.

Ingersoll's acquisition this March of the 40,000-circulation *Terre Haute (Ind.) Tribune-Star* came at a time of a union-management confrontation that had interrupted production and contributed to financial problems. In mid-May, the morning *Star* and evening *Tribune* were merged into the *Tribune-Star* to be operated solely as a morning paper seven days a week. Mr. Ingersoll now calls the paper "one of the brighter stars in our firmament."

Ingersoll dailies, which have approximately a 550,000 total circulation—its weeklies and shoppers push that up to 1.2 million on a given day—rely heavily on circulation for revenue because most are located in the older, northeastern markets, where the advertising base is generally smaller than in the rest of the country. "We have the *Pottstown (Pa.) Mercury* (30,000 circulation), six-day daily with no Sunday edition, and yet we charge 30 cents per issue. To do that, we must offer them something."

That something is editorial. On average, Ingersoll sets aside 12% of its newspaper budgets for editorial, compared with the average for the suburban press of about 9%. The *Pottstown* paper and the *Trenton (N.J.) Trentonian* have both won Pulitzer Prizes under Ingersoll tutelage.

The *Trenton* paper, in fact, is one of Ingersoll's success stories, its biggest operation and the paper facing perhaps the stiffest competition among its markets. Ingersoll bought the *Trentonian* in 1961 when it had circulation of about 35,000 and hardly a long shot in a market dominated by the then 80,000-circulation *Trenton Times*. The company has since built the paper into the

lead daily while the *Times* passed from family ownership to two more owners.

Mr. Ingersoll says the company has been able to direct the paper past the *Times* in daily (not Sunday) circulation despite what he calls unfair circulation policies of the competitor. The Washington Post Co., in fact, was successful in prosecuting circulation personnel who served during its ownership at the *Times* prior to its sale in 1981 to current owner, Allbritton Communications. A case is now being heard in federal district court in Newark in which Ingersoll is charging the current owners with circulation fraud. The Audit Bureau of Circulations also is a co-defendant in the suit. Mr. Ingersoll is seeking an independent audit of the circulation of the two papers.

MEDIA PROPERTIES Newspapers

CALIFORNIA: Costa Mesa—*Orange Coast Daily Pilot* (d*). JFP Publications, Glendale—*Glendale News Press* (d), *Burbank Daily Review* (d), *Leader, Burbank Weekly Review, Glendale Weekly Review, North Hollywood Review*. OSWGI Newspaper Publications, Richmond—*Contra Costa Independent* (d), *Berkeley Gazette* (d), *News, Times Journal*. CONNECTICUT: Milford Publishing, Milford—*Milford Citizen* (d), *Stratford Bard, West Haven News, Milford Reporter*. INDIANA: Terre Haute Newspapers, Terre Haute—*Tribune-Star* (d). MASSACHUSETTS: Berkshire Newspapers, North Adams—*North Adams Transcript* (d). Northeast Publishing, Fall River—*Fall River Herald News* (d). MICHIGAN: Royal Oak Newspapers, Royal Oak—*Royal Oak Tribune* (d), *Tribune Plus*. NEW HAMPSHIRE: Eagle Publications, Claremont—*Claremont/Springfield* (Vt.) *Eagle-Times* (d), *The Advisor*. NEW JERSEY: Capital City Publishing, Trenton—*Trentonian* (d), *Midweek, Weekend*. Manahawkin Newspapers, Manahawkin—*Beach Haven Times, Beacon, Summer Times*. Precision Publications, Toms River—*Toms River Ocean County Times-Observer* (d), *Jackson News, Point Pleasant Leader*. Riverdale Publishing, Butler—*Suburban Trends*. RNI Publications, Ridgewood—*Ridgewood News, Local Review, Sunday News, Sunday Post*. NEW YORK: Mid-Hudson Publications, Kingston—*Daily Freeman* (d). Oneida Publications, Oneida—*Oneida Daily Dispatch* (d). Tonawanda Publishing Corp., North Tonawanda—*Tonawanda News* (d), *Kenmore Record-Advertiser, Tonawanda News Extra*. OHIO: Massillon Newspapers, Massillon—*Evening Independent* (d). Phoenix Publications, Niles—*Daily Times* (d), *Girard News, Hubbard News, Liberty News, Austintown Leader, Poland Clarion, Howland Bandwagon, Courtland Home News, Western Reserve Democrat, Brookfield Maturity News*. PENNSYLVANIA: Acme Newspapers, Ardmore—*Main Line Times, News of Delaware County, Neighbors News,*

Germantown Courier, West Philadelphia Scene, TMC News. Central States Publishing, Primos—*Delaware County Times* (d). Community Service Publishing, Coatesville—*Coatesville Record* (d), *Tri-County Shopper News, Chester County Courier*. Peerless Publications, Pottstown—*Mercury* (d). Phoenixville Newspapers, Phoenixville—*Evening Phoenix* (d). Shenandoah Valley Publishing, Shenandoah—*Evening Herald* (d). Wayne Publications, Wayne—*Suburban and Wayne Times, Suburban Advertiser, King of Prussia Courier*. RHODE ISLAND: New England Newspapers, Pawtucket—*Pawtucket-Central Falls Times* (d).

(d) means daily. Papers not marked as such are either weeklies or shoppers.

Jefferson-Pilot Corp.

Jefferson-Pilot Corp., Greensboro, N.C., is the nation's 79th largest media company, with media property revenues of \$101.1 million in 1982, or 10% of total revenues of \$1.02 billion. This represents an increase of 10.6% from 1981's media revenues of \$91.4 million, or 9% of total revenues of \$978.7 million.

Earnings from media properties remained about the same, however, \$9.98 million in 1982 compared with \$9.93 million in 1981.

Total profits for the publicly held company, whose primary interest is in insurance, were \$86.2 million, off from the previous year's \$100.4 million.

The broadcast division contributed 58% of total 1982 media revenues, or \$58.5 million, from its two tv and 11 radio stations. Publishing revenues in 1982 were \$42.6 million from six daily and 12 nondaily newspapers and 18 shoppers. Net income from broadcasting was \$6.97 million last year, up slightly from \$6.94 million in 1981. Publishing concerns showed a small increase in operating income, to \$2.98 million from \$2.95 million.

It was not a good year in general for the 80-year-old company, and news from the media divisions was decidedly mixed. While the publishing arm achieved both record sales and earnings in 1982, the broadcasting division experienced a loss in operating income. Increased broadcasting costs outstripped revenue gains, and earnings of \$5.42 million were brought up to \$6.97 million through capital gains realized on sale of real property in Miami.

Wallace Jorgenson, president of Jefferson-Pilot Broadcasting, attributed the disappointing showing to generally unfavorable changes in the marketplace. He pointed out that though five of the company's six a.m. radio stations were down in 1982, four of five fm stations posted gains. "It's a changing marketplace out there," he said. "And I'm sure we're not unique in our company."

Mr. Jorgenson added that most of the company's a.m. stations have been converted to stereo in anticipation of a resurgence of the medium. "We be-

lieve in the future of a.m.," he said.

On Feb. 7, WGBS (am), Miami, changed its format from adult-contemporary to news-information. "It's a little early yet," Mr. Jorgenson said, "but we're getting excellent audience reaction and good response to our sales calls."

In tv, Mr. Jorgenson said that both WBTV in Charlotte, N.C., and WWBT in Richmond, Va., are doing better than they were last year, and that new technologies are being implemented that will enhance their marketability considerably.

Both WBTV and WWBT are being prepared for teletext services, alphanumeric information that would be broadcast simultaneously on the vertical blanking interval of the television signal. WBTV, a CBS affiliate, would offer both network and local teletext programming, while WWBT, an NBC affiliate, would carry only the network service.

Recent advances in the company's Electronic News Processing (ENP) system are sure to affect both tv and radio operations. The system, which employs computer terminals to keep track of and process recorded news, has been expanded to include a cataloging capacity, so that a listing and description of past stories on a particular subject can be obtained instantly.

Introduced at the National Assn. of Broadcasters convention in April, the latest ENP incarnation was enthusiastically received. "We made sales right there on the floor," Mr. Jorgenson said. "We've never done that before." Mr. Jorgenson said plans to lease the system to other stations were well under way.

On the programing side, the company last year entered into a joint venture with Raycom Communications to produce Atlantic Sports Programming, a three-year contract for \$18 million. "It's a very, very hot package," Mr. Jorgenson said. The company broadcast 37 Atlantic Coast conference college basketball games throughout the season, including the Atlantic Coast Conference basketball tournament, to a regional network of tv stations ranging from Baltimore, Md., to Atlanta.

The games were transmitted via cable to the rest of the nation by Entertainment & Sports Programming Network. Mr. Jorgenson characterized the venture as a great success, and said, "we're looking at other possibilities like it."

Perhaps the most important development in the broadcasting division, however, was the establishment of the Jefferson Group to provide marketing consulting services to the broadcasting industry. Organized as a separate division, the group was started, Mr. Jorgenson said, in order to capitalize on vendor sales obligations, a heretofore improperly tapped source of advertising revenue. The group seeks out marketers that have built up vendor obligations in a certain area, and helps them develop promotional packages for retail outlets. While the company's station might not be the sole beneficiary

of these efforts, Mr. Jorgenson said, "they're going to get the bulk of it, and besides, it's new-found money."

Mr. Jorgenson said he is confident that this and other developments bode well for the company in 1983. "It's looking better," he said. "Nothing dramatic, but a slow and steady improvement." The company continues to be interested in acquisitions, major market radio and top 100 market tv stations, preferably in the Sunbelt area.

Jefferson-Pilot Publications experienced less action in 1983 than its broadcasting counterpart, but had a more satisfactory result. Charles Stout, vp-finance, said the record year was primarily the result of "management changes and more emphasis on internal controls."

Among management changes were the installation of Mr. Stout himself, as well as the elevation of Richard Cosgrove to president and publisher of the Clearwater Newspapers in Florida.

In terms of acquisitions, the division last year bought the *Palmetto Press* and two neighboring shoppers in Florida. Combined with the division's daily *Clearwater Sun*, the acquisition gave the company a strong presence in the Tampa-St. Petersburg market.

Also during the year, the *Laredo Times* and the *Texas City Daily Sun* in Texas were both switched from afternoon to morning publication, a move Mr. Stout said "was very well received, especially with advertisers."

Mr. Stout said the division is looking forward to another record profit year, adding that, "We're certainly looking for any acquisition that might come along."

MEDIA PROPERTIES

Broadcasting
TELEVISION: WBTV, Charlotte, N.C., WWBT, Richmond

Va.
RADIO: KIMN (am) and KYGO (fm), Denver; WGBS (am) and WLYF (fm), Miami; WQXI (am), Atlanta; WQXI (fm) Smyrna, Ga.; WBT (am) and WBCY (fm), Charlotte, N.C.; WBIG (am), Greensboro, N.C.; WWIL (am) and WHSL (fm), Wilmington, N.C.

Newspapers (dailies)

FLORIDA: *Clearwater Sun*. OKLAHOMA: *Altus Times*. TEXAS: *Baumont Enterprise, Beaumont Journal, Laredo Times, Texas City Daily Sun*.

Newspapers (nondailies)

FLORIDA: *Brandon News, Brandon News Weekender, Palmetto Press, Plant City Courier*. OKLAHOMA: *Blair Enterprise, Granite Enterprise, Hollis News, Kiowa County Democrat* (Snyder), *Jackson County News* (Duke). TEXAS: *Hardin County News* (Lumberton), *Jasper News Boy*.

OTHER OPERATIONS

Insurance.

Journal Co.

Journal Co., Milwaukee, 56th largest media company in the U.S., with media revenues of \$165.8 million in 1982, 57% of total revenues of \$290 million. This compares with restated media revenues of \$162.4 million in 1981, or 56% of \$290.0 million in total revenues recorded for 1981.

For 1982, net income was \$18.8 million, down 17% from \$21.2 million in 1981. The privately held Journal Co. does not break down earnings by company segments, but states it did have advertising lineage losses in

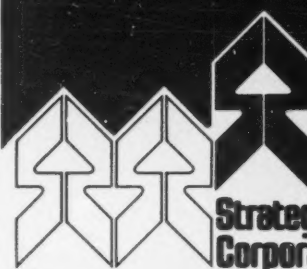
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When the Brewers were minor league

By Lisa Wells

For tv engineer George Kasdorf, the biggest change between then and now is the amount of equipment he had to lug around.

"When we did the state fair, we'd be out there every day and we used to have to pull a cable along with us to get to the different parts of the fair," he remembers. "There were no double microwaves, so we had to haul the transmitter on top of the grandstand and that would be the place we had to get all our signals to."

There were no minicams in 1947.

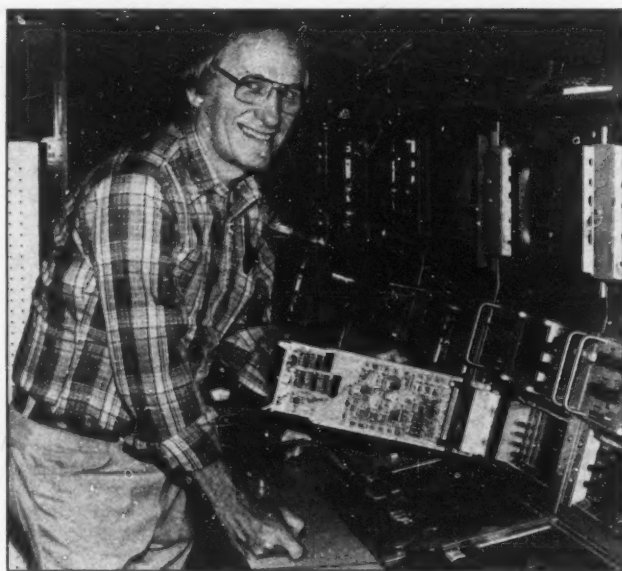
There were also no cable franchise fights, no low power tv stations, and an A.C. Nielsen Co. share never fell far below 55% either. Mr. Kasdorf's memories of the early days of broadcasting are a far cry from the reality of today's cool electronic sophistication, a reminder of how far the tv industry has progressed.

Mr. Kasdorf, 59, started out as a boom man more than 35 years ago at WTMJ-TV, Milwaukee. He studied at the American Television Institute in Chicago, and when he graduated—his final project was to build a tv set—WTMJ-TV called him up and asked him to come to work.

The Journal Co.-owned station was hungry to get on the air. On Jan. 4, 1941, it became the first to apply to the Federal Communications Commission for a commercial broadcast license, but World War II broke

Lisa Wells is ADVERTISING AGE's assistant regional editor.

out before it could begin broadcasting. Finally, on Dec. 3, 1947, WTMJ-TV made its debut as the first tv station in Wisconsin, one of the first NBC affiliates and the 10th independently owned station in the country.



George Kasdorf, 59, started out as a boom man for WTMJ-TV, Milwaukee, more than 35 years ago.

"Meet Your Neighbor," the station's first show, was set up in the lobby to accommodate the number of city officials and community groups coming in and out of the station. For the station's evening shows, Mr. Kasdorf and the other engineers would have to haul the equipment back into the cramped quarters known as WTMJ-TV's control room. The room, about

20 ft. by 30 ft., is now one of the station's conference rooms.

Much of the station's early programming was sports—Marquette University basketball games, bowling and baseball. It covered the Milwaukee Brewers

when they were a minor league team. One of its most popular shows was Thursday night wrestling, sponsored by Gettelman's beer. "The announcer would pour the beer and of course he couldn't drink it so we had a pail underneath the table we'd dump it in," says Mr. Kasdorf.

Commercials were part of the monotony of early tv as everything had to be done live, over

and over again within a short period, because many advertisers sponsored whole shows.

Mr. Kasdorf's favorite was a spot for Geiser potato chips: "There would be a whoosh and the mountain would blow its top," he says. "The water would come bursting out. It was just a matter of pulling something from underneath—every time we'd do it live."

There were also other technical problems. Cameras would get memories of the commercial's lettering if they stayed on a commercial card too long.

"So this one camera was taking a shot of popcorn and there were two different sizes of popcorn—Big Buster and Little Buster—and that was burned in," Mr. Kasdorf says. "Then we had this kitchen show on so the next shot the camera took was a picture of the cook and her assistant."

Head cook Brita Griem was a rather large woman while her assistant was quite petite. Tragic, no; embarrassing, yes.

Yet for all the lugging of equipment and extra inning ballgames and geyser-spouting commercials, Walter Damm, the station's original manager, estimated in early 1948 that WTMJ-TV would make about \$100,000 in its first year—the average price of one network prime time 30-second spot now. And that was when the station could claim a monopoly market on the 500 or so tv sets in Milwaukee. WTMJ-TV didn't get its first competition until seven years later when in October, 1954, WISN-TV, the ABC affiliate, hit the air.

OTHER OPERATIONS

Education: MJE Corp., Niles, Ill. Microwave service: Midwestern Relay Co. Commercial Printing: Perry Printing, Waterloo and Baraboo, Wis.; Tempo Communications; Milwaukee, Chicago and Norway, Mich.; and Trumbull Printing Co., Trumbull, Conn.

Knapp Communications

Knapp Communications, Los Angeles, is the country's 94th largest media company, with media property revenues for the fiscal year ended Jan. 31 of \$79.7 million, or 91% of Knapp's total revenues of \$92.9 million.

In fiscal 1982, the privately-held company, which will not disclose earnings, had media revenues of \$64.5 million, or 86% of total revenues of \$74.5 million.

The company's biggest challenge in the past year has been the relaunch of *Geo*. The first issue under the direction of Knapp editor-in-chief Paige Rense was dated April, 1982. According to magazine group publisher Harry Myers, the rate base of the natural history, travel and photojournalism magazine will be raised in September to 255,000, following a raise in September, 1982, to 225,000 from 200,000. Mr. Myers said that for the first six months of 1983, *Geo* was up 70% in ad pages and 85% in revenues from last year. As reflected by the increases in rate base, it was up 25% in circulation. "Renewals are very strong," Mr. Myers said, "and our advertising research shows that the direction is right."

Since acquiring *Geo* from German publishing company Gruner & Jahr, the company has revamped its design and editorial focus. The May, 1983, issue, for example, has a cover story on the koala bear; a photo essay on England's Lake District, the inspiration of 19th century poets, and 14 pages of pictures of figure skaters. This contrasts with the May, 1981, *Geo*, which did a major feature on Mexico City titled "Omens of Apocalypse"; stories on aquaculture, and a report on the people of Tibet.

Architectural Digest also increased its rate base in January, 1983, by 50,000 to 600,000, and its ad rates by 12.5%. Mr. Myers said *AD* is down 1% in pages and up 7% in revenues through July of this year, compared with the previous year.

Bon Appetit, which currently has circulation of 1.3 million, is down 2.1% in pages and up 4.5% in revenues, while *Home*, which Knapp in a partnership last year acquired and revamped, is up 36% in pages and 44% in revenues for the first six months.

In 1982, the company had disclosed plans for new magazine ventures, but these have been shelved for the time being. "We've had to work hard as a small company to wrap our resources around two acquisitions in one year," Mr. Myers said. "I think we've done a good job—it would be a big job for even the

its newspaper operations for 1982.

But the company showed gains in its printing divisions, health in its electronic media and growth potential in its shoppers. Even in heavy-industry hometown Milwaukee, kicked hard by recession, the flagship *Milwaukee Journal* and *Sentinel* newspaper properties are described by a company spokesman as "doing well in the rather poor Milwaukee market." Circulation performance for the two big Milwaukee dailies was mixed.

The Audit Bureau of Circulations March, 1983, audit put the morning *Sentinel* up from 176,680 in 1982 to 181,957, while the evening *Milwaukee Journal* slipped from 308,764 in 1982 to 307,806.

Bright spots for the Journal Co. are in tv, radio, printing, local weekly newspapers and shoppers. Teltron Inc., a suburban Milwaukee cable system, was added during the year.

Tv station KNTV, an ABC affiliate in Las Vegas, Nev., ranked third in its three-station market when the Journal Co. acquired it in 1979. Under its new ownership, KNTV built a new antenna, had the first minicams in Las Vegas, and by 1981 moved into second place. Now it

is first in news and tied for first in other areas.

The year has been "much improved" for the WTMJ broadcasting properties, including WTMJ-TV, WTMJ (am) and WKTI (fm). (See story above.) The company once again has broadcast rights for the Brewers baseball games and will continue carrying Green Bay Packers football, Milwaukee Bucks basketball, Milwaukee Admirals hockey, and a menu of University of Wisconsin events.

A spinoff of WTMJ Inc. operations is Teltron Inc. Electronic Informations Systems, which serves west and northwest suburbs of Milwaukee with cable channels carrying news and advertising. Richard Herbst was shifted from his post as WTMJ general manager to the executive vp of Teltron.

Despite cutbacks of classified and real estate advertising, the Journal Co. sees "real growth potential for Add Inc." according to a company spokesman, which publishes six shoppers in Wisconsin, two in Montana, and *Choice*, a magazine based in Fort Collins, Colo.

As its most favorable development of the past year, the Journal Co. cites "good sales and earning gains in web offset com-

mercial printing."

Tempo Inc. is the umbrella title for three major printing operations: Gugler Lithography, Milwaukee; Edward Deutsch, Cicero, Ill., and Norway Gravure, Norway, Mich.

Also big in the Journal Co. printing category is Perry Printing Co., Waterloo, Wis., with a second web offset plant in Baraboo (as of 1982), which is the largest printing facility in Wisconsin, running publications including *Time*, *Sports Illustrated*, *People* and *Journal of the American Medical Association*.

In Fairfield County, Conn., the company owns the Trumbull Printing Co., a web lithographer combining big production runs of advertising sections and inserts with the weekly investment information tabloid *Value Line*. Trumbull also publishes newspapers for four bedroom communities (Trumbull, Easton, Monroe, and Huntington) in Fairfield County, which has one of the highest concentrations of corporate headquarters in the U.S. The company sees the Trumbull operation as a hopeful source of increased markets.

Teleport, Skokie, Ill., supplies communications satellites to feed signals to Chicago-area broadcasters for pickup and transmission. While this system

is not completely in place yet, Teleport plans by July 1 to be feeding, for example, Sportsvision from Chicago's Comiskey Park (White Sox), Soldier Field and Stadium.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KNTV, Las Vegas, Nev.; WTMJ, Milwaukee.

RADIO: WTMJ (am), WKTI (fm), Milwaukee.

Cable/video

Teltron Cable TV, serving Stevens Point, Wausau and Wisconsin Rapids. Teltron Electronic Information Systems: News and advertising cable channels serving western Milwaukee suburbs.

Magazines

Choice (Fort Collins, Colo.).

Newspapers (dailies)

WISCONSIN: *Milwaukee Journal*, *Milwaukee Sentinel*.

Newspapers (nondailies)

CONNECTICUT: Trumbull Printing Co., includes publication of *Easton Courier*, *Huntington Herald*, *Monroe Courier*, *Trumbull Times*.

Shoppers

Add Inc. with papers in MONTANA: Great Falls, Missoula. WISCONSIN: Wausau, Seymour, Berlin, Stevens Point, Wausau, Wisconsin Rapids.

biggest companies."

Last year, Knapp had plans for a French edition of *Architectural Digest*, but according to Swift Lockard, vp-assistant to the chairman, the French economy made the environment inappropriate for such a launch. Japan is the next international market for *AD*, with the introduction scheduled for September. The company also is working on a contract with a Brazilian publisher to take the magazine to South America for the first time.

Knapp also is publishing and marketing a series of fine art posters in conjunction with the 1984 Olympics in Los Angeles. The exhibition of posters by 16 American contemporary artists is scheduled for a tour of major U.S. cities. Knapp is planning a direct mail campaign to sell the posters beginning in July.

In personnel changes at the company during the last year, George H. Oestreich Jr. moved from publisher of *Architectural Digest* to publisher of international editions of all Knapp publications, a new post. Mr. Myers said he is not recruiting for the publisher job at *AD*, implying strongly that Mike Stanke, associate publisher, will get the job.

MEDIA PROPERTIES Magazines

Architectural Digest, *AD* (Milan) *Bon Appetit*, *Geo*, *Home* (general partner).

OTHER OPERATIONS

Knapp Press, Rosebud Books, Wilshire Marketing.

Knight-Ridder Newspapers

Knight-Ridder Newspapers, Miami, the country's eighth largest media company, had media revenues of \$1.30 billion in 1982, or 98% of \$1.33 billion in total revenues. That represents an increase of 8.2% from 1981, when the company had media revenues of \$1.20 billion, or 98% of \$1.24 billion in total revenues.

Earnings in 1982 totaled \$102.9 million, up 2.6% over the \$100.4 million recorded the year before.

Newspapers make up the bulk of the Knight-Ridder empire. In 1982, they accounted for \$1.21 billion, or 91%, of the corporation's revenues. Other sources of income during the year were Commodity News Service, which contributed \$30.1 million to the corporate total; broadcasting, \$43.3 million, and books, database publishing and other operations, \$46.0 million.

Though the company continued to make financial gains, as reflected by its performance figures, the year 1982 proved to be a test of its ability to withstand a constricted economy. For instance, full-run advertising linage dropped by 6.2% compared with the 1981 level. Retail linage, the largest category, dropped by 2.4%.

In addition, revenue from classified advertising—an area hit hard by the effects of high unemployment and a soft real estate market—dipped to \$262.5 million, down 5.9% from 1981

levels.

Still, total newspaper ad revenue managed to increase by 4.3% to \$936.1 million.

What did help the newspaper segment were the strides Knight-Ridder's two Philadelphia papers—the morning *Inquirer* and the afternoon *Daily News*—made in 1982. After Charter Co.'s *Philadelphia Bulletin* folded in January of that year, the *Inquirer* and *Daily News*, acting on a carefully devised plan, moved to build themselves up on the *Bulletin's* ad linage and circulation. Total full-run linage in both papers increased to 67.4 million in 1982 from 62.5 million in 1981. The *Bulletin* recorded 23.3 million lines in 1981, its last full year of existence.

Circulation gains were more dramatic. For the six-month period ending March 31 of this year, the *Inquirer's* daily circulation stood at 544,777, an increase of 16% over the same period in 1982 and 27% above 1981, when the *Bulletin* provided competition in the market. Moreover, its Sunday circulation now exceeds 1 million.

The *Daily News's* circulation, in the meantime, stood at 295,732, up 15% over 1982 and 27% over 1981.

The two papers' unquestioned domination of the Philadelphia market enabled them to surpass the flagship *Miami Herald* in contributing to the Knight-Ridder revenue coffers. They accounted for 20% of the company's revenues in 1982, compared with the *Herald's* 17%. After the *Herald* came the *Detroit Free Press*, 10%; the *San Jose Mercury and News*, 10%, and the *Charlotte Observer and News*, 5%.

Not only have the Philadelphia papers progressed financially, but the *Inquirer* in particular has continued to sculpt and mold a reputation of national significance. A number of articles in the last few years have highlighted the *Inquirer's* efforts to build up its national and international coverage under the leadership of executive editor Gene Roberts. They have also recounted the paper's arm's length of Pulitzer Prizes of recent years.

The *Miami Herald*, meanwhile, saw revenues decline by 3.6% to \$224.9 million in 1982; full-run ad linage also dropped, from 72.1 million in 1981 to 60.0 million a year later. Circulation of the morning paper stood at 443,565 at the end of March, a 2% increase over last year. Sunday circulation stood at 533,539.

During the year, the *Herald* continued to push into the affluent Broward and Palm Beach Counties north of Miami, challenging local papers owned by Tribune Co. and Cox Enterprises. Additionally, two new offset presses, part of the *Herald's* \$30 million expansion program, started rolling.

In Detroit, Knight-Ridder's *Free Press* faced the vise formed by a slumping economy based on automobile manufacturing on the one hand and competition provided by the Evening News Assn.'s *News* on the other. Nevertheless, the *Free Press* did manage to eke out an

increase in revenues, to \$125.6 million in 1982 from \$124.7 million. But that came on the strength of ad rate increases; ad linage was down to 25.7 million in 1982 from 28.6 million the year before.

The paper also managed to make slight gains in circulation, this in one of the most competitive newspaper markets in the U.S. In March, the *Free Press's* circulation stood at 635,740, an increase of 1% over last year, compared with the *News's* 651,763. In recent years, the *Free Press* has been closing the gap, but in the last reporting period, the *News's* gain was larger by more than 14,000 copies.

Elsewhere in the Knight-Ridder family, the trend toward merging evening papers into their morning sisters caught up with the company's papers in Lexington, Ky., and Duluth, Minn. In moves to cut costs, the *Leader* in Lexington dissolved into the morning *Herald*, while in Duluth the afternoon *Herald* merged into the morning *News-Tribune*.

One unique newspaper development in 1982 came with Knight-Ridder's *Pasadena (Cal.) Star-News*. With the ability to produced entire pages, including halftones, electronically, the paper proceeded in September to become the nation's only all-sports daily, called—logically enough—*All Sports*. Circulation of the paper, distributed in Southern California, was reported at 44,010 in March.

Commodity News Service, the Knight-Ridder wire service with 16,000 subscribers throughout the world, continued to grow at a relatively quick rate. In 1982, it had revenues of \$30.1 million, up 12.3% over 1981. Since 1972, when the service was founded, it has grown at a compounded annual rate of 23.1%.

In the broadcasting arena, Knight-Ridder's four tv stations—all broadcasting on the vhf band—brought in revenues of \$43.3 million last year, an increase of 12.5% over the \$38.5 recorded in 1981. The stations, all ABC affiliates except for the unit in Norfolk, Va. (CBS), should be joined this year by WNGE, an ABC affiliate in Nashville, Tenn. In April, Knight-Ridder signed a letter of intent to purchase WNGE from General Electric Co., pending Federal Communications Commission approval.

But the biggest electronics news continues to be Knight-Ridder's forays into videotext technology. The celebrated Viewtron videotex system should go into commercial operation this fall in South Florida if it can plug into the current timetable. "This is a pioneering venture, and it carries no guarantee of success," said company president James K. Batten. "But we feel great optimism and excitement as we move toward the launch date."

The Viewtron system, a venture in which Knight-Ridder is receiving close cooperation from American Telephone & Telegraph, would provide subscribers initially with a database of information from as many as 300 advertisers. The major categories of advertisers, the company said, are likely to be travel, en-

tertainment, retailers, auto dealers and banking.

Other media companies are certain to be following closely the developments of this interactive video system. Already, Knight-Ridder has lined up deals with A.S. Abell Co., Affiliated Publications, Capital Cities Communications, Newhouse Newspapers and Seattle Times Co. to work out joint Viewtron ventures or tests of one type or another. Each of those companies owns newspapers in sizable metropolitan markets, including Baltimore, Boston, Cleveland, Kansas City and Seattle.

Mr. Batten said Knight-Ridder has spent about \$27 million since 1979 on the Viewtron experiment and expects to spend another \$8 million this year. Results of a market test in Coral Gables, Fla., apparently were encouraging enough for the company to decide to continue its investment.

Cable tv has also received considerable management—and financial—attention at Knight-Ridder. The company is projecting that it will have up to 170,000 basic subscribers by the end of this year. Its cable holdings currently consist of joint ventures with Tele-Communications Inc. in New Jersey and recently acquired interests in Rockland County, N.Y., as well as a venture with Times Mirror Co. in Long Beach, Cal.

For Knight-Ridder, the kind of cable systems it is seeking are "basically operations of modest size in economically attractive suburban locations," said Mr. Batten.

As with other media companies, Knight-Ridder is also investing in cellular radio technology. It has applied to the FCC to have licenses to operate the mobile-radio channels business in Austin, Tex.; Raleigh-Durham, N.C.; West Palm Beach, Fla.; Greenville, N.C.; Charlotte, N.C., and Charleston, S.C.

In major management changes during the year, Alvah H. Chapman became chairman of the company, replacing the retiring Bernie Ridder. James Batten replaced Mr. Chapman as president. Albert J. Gillen was named chairman of Knight-Ridder Broadcasting.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WJRT, Flint, Mich.; WPRI, Providence, R.I.; WTEN, Albany, N.Y.; WTKR, Norfolk, Va.

Cable/video

TKR Cable Co. (50% interest): NEW JERSEY: Aberdeen, Barnegat Light, Beach Haven, Bernards, Bound Brook, Bridgewater, Dancollen, Edison, Elizabeth, Green Brook, Harvey Cedars, Highland Park, Keansburg, Key Port, Long Beach, Manville, Matawan, Metuchen, Middlesex, Milltown, Montvale, New Brunswick, Old Bridge, Piscataway, Raritan, Sayerville, Ship Bottom, Somerville, South Amboy, South Bound Brook, Surf City, Union Beach, Warren, Watchung. NEW YORK: Rockland County.

Long Beach Cablevision Co. (50% interest): CALIFORNIA: Long Beach.

Viewtron.

Newspapers (dailies)

CALIFORNIA: Long Beach Press Telegram, Pasadena Star-News, San Jose Mercury, San Jose News. COLORADO: Boulder Daily Camera. FLORIDA: Boca Raton News, Bradenton Herald, Miami Herald, Tallahassee Democrat. GEORGIA: Columbus Enquirer, Columbus Ledger, Macon News, Macon Telegraph, Milledgeville Union-Recorder. INDIANA: Fort Wayne News-Sentinel, Gary Post-Tribune. KANSAS: Wichita Eagle-Beacon. KENTUCKY: Lexington Herald-Leader. MICHIGAN: Detroit Free Press. MINNESOTA: Duluth News Tribune-Herald, St. Paul Dispatch, St. Paul Pioneer Press. NEW YORK: Journal of Commerce. NORTH CAROLINA: Charlotte News, Charlotte Observer. NORTH DAKOTA: Grand Forks Herald. OHIO: Akron Beacon Journal. PENNSYLVANIA: Philadelphia Daily News, Philadelphia Inquirer, State College Centre Daily Times. SOUTH DAKOTA: Aberdeen News American. WASHINGTON: Seattle Times, Walla Walla Union-Bulletin (both 49.5% interest).

Newspapers (nondailies)

CALIFORNIA: Anaheim Independent, Arcadia Tribune, Buena Park News, Huntington Beach Independent, La Mirada Lamplighter, Monrovia News Post, Orange County News, Temple City Times. FLORIDA: Florida Keys Keynoter.

News service

Commodity News Service.

LIN Broadcasting

LIN Broadcasting Corp., New York, is the country's 92nd largest media company, with revenues of approximately \$81.3 million from media operations in 1982, or 92% of total revenues of \$88.4 million. Media revenues increased 12% from 1981's media revenues of \$66.2 million, or 93% of total revenues of \$71.0 million.

In 1982 approximately 82% of the company's operating income before depreciation and corporate expense was from tv, 10% from radio and 8% from radio common carriers and GuestInformant Inc., a specialty publisher that distributes advertiser-supported magazines in hotel rooms.

Approximately 81% of the company's operating income was from Texas, where it operates the NBC television affiliates in Dallas/Fort Worth and Austin, am and fm radio stations and a radio common carrier company in Houston.

Tv revenues were up 21% from 1981, with each station contributing improved margins. Last year LIN also added a fifth station to its lineup, when it purchased WOTV-TV, an NBC affiliate in Grand Rapids, Mich., for \$32 million from Time Inc. Grand Rapids is the 37th-largest television market.

Over-all radio revenues were up only slightly. Revenues from the company's five am stations dropped 25% while revenues from LIN's five fm stations increased by 23% from 1981.

An active player in the radio paging business for 15 years, LIN last year laid the groundwork for a major entry into the burgeoning cellular radiotelephone industry. The company invested \$1.4 million in research and development in this area.

A new technology, cellular radiotelephone, promises for the first time to provide adequate spectrum for mobile and portable telephones.

LIN last year filed applications with the Federal Communications Commission for construction permits of cellular radiotelephone networks in New York; Los Angeles; Dallas/Fort Worth; Houston; Providence, R.I.; Greater Hartford and Fairfield County, Conn.; Middlesex County and Monmouth County, N.J., and Ventura County, Cal. In Philadelphia, Allentown/Bethlehem/Easton, Pa., and Wilmington, Del., it is participating in a joint venture with the leading radio common carrier in that area.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WAND, Decatur/Champaign/Springfield/Danville, Ill.; KTVV, Austin, and KXAS, Dallas/Fort Worth, Tex.; WAVY, Portsmouth/Norfolk/Newport News/Hampton, Va.; WOTV, Grand Rapids, Mich.

RADIO: WIL (am, fm), St. Louis; WBBF (am) and WMJQ (fm), Rochester, N.Y.; WFIL (am) and WUSL (fm), Philadelphia; KILT (am, fm), Houston; WEMP (am) and WMYX (fm), Milwaukee.

Magazines

Guest Informant, distributed in hotel rooms.

Other media properties

Cellular radiotelephone ventures in various markets.

Landmark Communications

Landmark Communications, Norfolk, Va., is the country's 40th largest media company, with revenues of about \$230.0 million in 1982, all from media operations. The company had about \$200.0 million in revenues in 1981 and is projecting revenues of more than \$250 million for 1983, how much over is dependent on the economy and a pickup in its newspaper division.

Currently, about 65% of its revenues are derived from newspapers, 10% from tv and radio (broadcast) and 25% from cable tv. This breakdown is unchanged from 1981, but new-ventures analyst Bahnson Stanley believes there could be a shift in favor of broadcast and cable this year.

That does not mean newspaper sales are expected to remain flat. Given the expectation that consumer and retail companies, auto and realty advertisers will increase lineage as the economy continues to improve, newspapers should benefit. But the growth of Landmark's newspapers is not expected to keep pace with its cable tv or broadcast, where robust increases are anticipated from the company's Weather Channel.

Current thought in the electronic media

Premise 1

A decade ago, there were an estimated 65 million American households with tv sets; the three networks had a rating of about 51.5.

Premise 2

There was a dip in rating points in the 1973-74 and 1974-75 season, while the number of households with tv sets increased to about 67.5 million.

Premise 4

According to Paul Kagan Associates, Carmel, Cal., the three major tv networks should make \$6.6 billion in revenues in 1983, while cable networks will capture \$312 million. By 1988, the networks should get about \$11.6 billion, compared with \$1.29 billion for the cable networks.

Premise 3

The steady rating decline came in the 1979-80 season, when ratings stood at about 51 points—plunging to 46.5 in the 1981-82 season. During that period, the number of American tv households increased from 75 million to more than 80 million.

Premise 5

By 1993, network revenues should increase to \$20.6 billion while cable network tv revenue should swell to \$3.5 billion. Cable's gain obviously would be greater.

Question

Does this foretell even harder times for network tv?

Opinion 1

"Broadcast advertising is healthy and will continue to be," says Sharon Armbrust, vp-director of informational services, Paul Kagan Associates. Network advertising "is not suffering" from a theft by cable and other alternatives, she says.

Opinion 4

"There will be an increase of 2% in television households per year," says John Reidy, an analyst with Drexel Burnham Lambert. "Time spent with television sets will increase a few percentage points."

Opinion 2

"Cable is being forced into a transition period. Outside of movies, it has not fulfilled its mandate on programing," Edward J. Atorino, first vice president at Smith Barney Harris Upham & Co. "The erosion [of network shares] is expected to continue but I don't see a collapse. By 1990, they will have the same number of homes as today."

Opinion 5

There's "no question" that the network's share of viewers has dropped, says Anthony Hoffman, another industry analyst. Their share "should drop below 70%," to as low as 67%.

Opinion 7

But the trend toward independents and cable, Mr. Hoffman says, "will come right up against an abrupt brick wall." New federal regulations on signal importation will force cable operators to become more selective. "This will cause severe cutbacks in the import of distant signals. We probably will see stabilization of this long trend of deterioration."

Opinion 6

One other consideration: "The syndication business got hot in 1976 because independents found themselves suddenly endowed with significantly more money than they thought," Mr. Hoffman says. "That was the best year for broadcasting."

Opinion 8

Will the networks recapture their audience? "Not in the form we know the networks now," Mr. Hoffman says. They'll do it "only by programing their own cable networks."

Opinion 3

"Look at the problem cable is facing: The hope of technology has been dashed or deferred, or postponed," Mr. Atorino says. "Two-way systems are not being built or may never be built; it's just not economically feasible."

Last year, Landmark purchased the North Lauderdale, Fla., cable system, which is adjacent to its Margate system and subsequently tied into that. It was also awarded and has begun construction on the Richardson, Tex., franchise system, a 330-mile system reaching 27,000 homes.

The development of that system also reveals Landmark's intention to concentrate cable development in the Southeast and Southwest. Last year the company began construction of a system in Arlington, Tex.

However, Landmark dropped out of its bid for a Tampa, Fla., franchise that would have been a joint venture with Knight-Ridder newspapers. Still, total subscribers to its TeleCable system stands at more than 325,000 and

channel capacity at better than 21 for the country's 14th ranked cable operator.

Over-all, the company's interest in future cable developments remains centered on multipay services marketing, the development of pay-per-view, future cable systems acquisitions and increasing ad sales on cable networks.

For the Weather Channel, part of Landmark's Broadcasting & Video Enterprises division, the company has two principal objectives: To get more cable operators to carry it and to increase ad sales. Since it was introduced last summer, the Weather Channel has more than doubled its subscriber base from last year's 4.2 million subscribers. But ad sales were not as strong as hoped. The company

made both low and high-end projections and the results fell somewhere in the middle. Because of the economy, many companies cut cable buys, thus affecting the channel's ad sales, which were also hampered by not being on the Nielsen meters. To qualify for the meters, a cable network has to be viewed in 12 million households. To date five cable networks have qualified and the Weather Channel should qualify by either the end of this year or the beginning of next, analyst Mr. Stanley said.

On the publishing side, Landmark did not acquire or divest any of its interests.

However, it did consolidate the news and feature staffs of its morning *Norfolk Virginian Pilot* and evening *Ledger-Star*.

The move was said to result not only in cost efficiencies but in improved coverage of business, sports and naval news. Landmark also added additional free distribution papers, bringing its total up from 16 to 23 with combined circulation of more than 265,000. Noted an executive with this division, "Our goal is to provide total market coverage for large advertisers and pre-print customers as opposed to letting these customers go to direct mail."

MEDIA PROPERTIES

Broadcasting

TELEVISION: KLAS, Las Vegas; KNTV, San Jose. RADIO: WJAR (am) and WLTY (fm), Norfolk, Va.

Cable/video

TeleCable Systems in ALA-

BAMA: Auburn, Decatur, Selma. FLORIDA: Broward County. GEORGIA: Columbus. ILLINOIS: Bloomington. INDIANA: Kokomo. KANSAS: Overland Park. KENTUCKY: Lexington, Radcliffe. MISSOURI: Springfield. NORTH CAROLINA: Roanoke Rapids. SOUTH CAROLINA: Greenville, Spartanburg. TENNESSEE: Cleveland. TEXAS: Arlington, Richardson. VIRGINIA: Wytheville. WEST VIRGINIA: Beckley, Princeton. WISCONSIN: Racine.

Newspapers (dailies)

CALIFORNIA: *El Cajon Daily Californian*. INDIANA: *Mount Vernon Democrat*. KENTUCKY: *Elizabeth News Enterprise*. MARYLAND: *Westminster Carroll County Times*. NEW MEXICO: *Los Alamos Monitor*. NORTH CAROLINA: *Greensboro Daily News-Greensboro Daily Record*. VIRGINIA: *Norfolk Virginian-Pilot*, *Norfolk Ledger-Star*, *Roanoke Times & World News*.

Newspapers (nondailies)

FLORIDA: *Citrus County Chronicle* (Inverness), *Sumter County Times* (Bushnell). ILLINOIS: *Vandalia Leader Union*. INDIANA: *Rockport Journal & Democrat*, *Tell City News*. IOWA: *Glennwood Opinion-Tribune*, *Red Oak Express*. KENTUCKY: *Anderson News* (Lawrenceburg), *Carrollton News-Democrat*, *Casey County News* (Liberty), *Central Kentucky News-Journal* (Campbellsville), *Cynthiana Democrat*, *Lebanon Enterprise*, *Oldham Era* (La Grange), *Shelbyville Sentinel-News*, *Springfield Sun*, *Trimble Banner Democrat* (Bedford). MARYLAND: *Reisterstown Community Times*, *South Carroll Herald* (Sykesville). MISSISSIPPI: *New Albany Gazette*. VIRGINIA: *Galax Gazette*. Also, 23 free distribution publications and Capital-Gazette Newspapers, Annapolis, Md. (49.9% owned).

Lee Enterprises

Lee Enterprises is following doctor's orders. And some of the Davenport, Ia.-based media company properties, having dutifully taken the prescriptions offered, are shedding the pallor brought on by an ailing economy.

In 1982, Lee ranked 58th among the nation's top 100 media companies, its media property revenues reaching \$158.9 million, or 99% of total revenues of \$160.6 million. Media property revenues in 1981 were \$149.8 million, or 98% of the company's total revenues of \$153.1 million.

Last year, within the media group, newspapers accounted for \$115.7 million, or 72% of the total. Broadcasting brought in \$43.2 million, or 26%.

Net income for the company in 1982 was \$19.8 million compared with \$19.1 million in 1981, a 3.8% increase.

Lee Enterprises, including newspapers, broadcasting and graphic arts, began back in the 1890s when A.W. Lee moved from New England to Muscatine, Ia., to join his uncle's newspaper. Lee's media properties

now include 18 newspapers scattered through the Midwest and Northwest, four tv stations in Illinois, West Virginia, Oregon and Hawaii and four am and fm radio stations in Illinois and Nebraska.

In the graphics arts area, Lee jointly owns Napp Systems (USA), San Marcos, Cal., claimed to be the world's leading maker of photopolymer letterpress printing plates used by the newspaper industry.

Although Lee's earnings increased last year, they were not up to expectations.

"I would be less than candid if I did not register my disappointment with the results," said Lloyd Schermer, president. Several of the company's midwestern markets were hard hit by the recession, especially in the areas where automotive, farm implement and construction equipment are dominant industries.

And, because of the ailing economy, Lee's strategy for the past two years within the newspaper group has been tinged with caution, eschewing new acquisitions in favor of improving existing operations and developing new services and products within those operations.

One method of making "good papers better" was to get some market researchers and newspaper consultants on the job. Their prescriptions helped the Helena, Mont.-based *Independent Record*, which was Lee's leader in circulation growth last year. It also helped the *Quad-City Times*, in Davenport, Ia., whose achievement deserves particular credit as its growth has occurred in a market smarting under 20% unemployment.

Two years ago, the *Times* began using the services of Stuart Schwartz, a newspaper consultant and professor of journalism at Georgia State University. Initially, his findings that the *Times* readers thought the paper "dull" rankled many staff members.

"This joker comes from Georgia and tells us we're dull," said one. Since then however, prodded by the recession, several of Mr. Schwartz' suggestions were used. As a result, the editorial format of the paper has changed "drastically," says Ronald L. Rickman, publisher. The stories, Mr. Rickman said, are shorter, more "hard hitting." There is more spot color and more crime news," he added. "We found out how much he [Mr. Schwartz] really did know."

The results are telling. From May, 1982, to May, 1983, according to Mr. Rickman, the circulation of the *Times* increased 2,000 daily to 65,353 and more than 1,000 on Sundays to 85,702. And the circulation increase is not a result of the paper selling itself cheaply against its major competitors, the *Rock Island Argus* and the *Moline Dispatch*. Indeed, during its renovation, the *Times* increased its price 17%, up to \$2.40 a week, compared with \$1.30 for the *Argus* and \$1.50 for the *Dispatch*.

In addition to its circulation gains, last year the *Times* won the Iowa Press Assn.'s "newspaper of the year" award (against some 44 other dailies), as well as

the general excellence award for 1982 and, recently, for 1983.

However, individual performances varied from market to market, reflecting both the health of the local economies and steps taken by Lee to make the papers more attractive to readers. Some did well, others did "lousy."

For example, the *Bismark* (N.D.) *Tribune*, with its petroleum and natural resource base, fared far better than did the *Montana Standard* in Butte, where a mining company—a major local employer—pulled out completely.

And style varies as well, depending on the markets, which can range, said Steve Sturm, director of newspaper development for Lee, from the "Rocky Mountain chic" of Missoula, Mont., to the industrial blue collar audience of the *Quad-City Times*.

Some of Lee's improvements last year were: The expansion of the computerized circulation system (LINS) to include the *Bismark Tribune* and the *Decatur* (Ill.) *Herald and Review*, bringing the number of markets online to nine. Started in 1973, the system has cost Lee some \$7 million and is so sophisticated, said Mr. Schermer, that it can target out all subscribers "weighing over 200 lbs." in a particular market. Every household is on file in each of the nine markets.

And, although Lee has no cable tv properties of its own, it makes use of the electronic media in other ways. Lee's Madison Newspapers, for example, have won exclusive rights to sell local advertising on four cable networks.

Some of Lee's new products within the newspaper area geared to specific audiences include *Apt*, a quarterly to reach apartment dwellers and condo and duplex owners in the Madison market; newsletter services, and Montana Legislative Reporting Service, a daily update on current legislation sold to state lobbying associations.

Within Lee's Broadcast Group there was a 10% increase in revenues in 1982. According to Richard Belkin, vp-broadcasting and corporate planning, the major achievements within this group were the formation of Lee Productions, a Honolulu-based software production company; added emphasis on commercial and program production through the acquisition of Video Productions in Portland, Ore., and the growth and development of Hawaii Production Center, which received six Telly awards during the year for outstanding commercial work.

Current and future strategy in the broadcast group is to continue developing current businesses, to strengthen local marketing efforts and to emphasize local programming and news.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KGMB, Honolulu; KHQA, Hannibal, Mo.; KOIN, Portland, Ore.; WSZA, Huntington, W.Va.

RADIO: WTAD (am) and WQCY (fm), Quincy, Ill.; KFAB (am) and KGOR (fm), Omaha, Neb. (partially owned by Jour-

nal-Star Printing Co.).

Newsletters

Montana Legislative Service.

Newspapers

IOWA: *Mason City Globe-Gazette*, *Muscatine Journal*, *Ottumwa Courier*, *Quad-City Times* (Davenport). ILLINOIS: *Decatur Herald and Review*, *Kewanee Star Courier*, *Southern Illinoisian Review* (Carbondale). MINNESOTA: *Winona Daily News*. MONTANA: *Billings Gazette*, *Butte Montana Standard*, *Helena Independent Record*, *Missoula Missoulian*. NEBRASKA: *Lincoln Star*. NORTH DAKOTA: *Bismark Tribune*. OREGON: *Corvallis Gazette-Times*. WISCONSIN: *Lacrosse Tribune*, *Racine Journal*, *Wisconsin State Journal* (Madison).

Maclean Hunter Communications

Maclean Hunter Communications, Toronto, Ont., is the 95th largest media company, with U.S.-only 1982 media revenues of \$75.0 million, representing 18% of the company's total revenues of \$427.1 million generated from Canadian, U.S. and U.K. properties.

Although revenues were up 25% from \$341.2 in 1981, earnings dropped 22% in from \$22.1 million in 1981 to \$17.3 million in 1982. (Year-to-year comparisons made in this profile are in U.S. dollars based on the exchange rate of US\$1 = C\$1.229 applied to both years.)

The company attributes the drop to lower profit margins in periodicals, a major investment in a newspaper publishing group and strong investment in U.S. cable systems.

One of the toughest blows for the company was created by the Canadian economy, which Harvey Botting, assistant to the chairman, says "catches pneumonia when the American economy gets a cold."

None of Maclean Hunter's 76 Canadian business publications, including the *Financial Post*, a Barron's-like publication, fared well in attracting ad lineage as advertisers pulled back severely in the face of Canada's recession. Profits from business publications in Canada dropped from 1981 to 1982, but the company's 29 foreign business publications—most of them in the U.S.—fared better and broke even with 1981.

Stamford, Conn.-based *Progressive Grocer* magazine and *C-Store Business*, a publication for the convenience store industry, both purchased in 1981 by Maclean Hunter Media Inc. from HP Publishing, performed well in their first full year as part of Maclean Hunter, says Mr. Botting. They yielded revenues of about \$10 million, according to John Skeels, president of Maclean Hunter Media, Inc., a subsidiary of the parent company.

Although the company's business publication division didn't make any acquisitions in 1982, it did complete a major deal in March, 1983, to purchase *Hospital Practice* magazine, a monthly with a circulation of

200,000—mostly physicians—that has annual revenues of \$7 million. Purchase price was not disclosed.

The company closed down a failing British property, *British Plastics & Rubber*, and sold *Sporting Goods Canada*. Maclean Hunter is an active buyer and seller of publications, so the act of acquiring and selling isn't particularly consequential for the company, says Mr. Botting. Maclean Hunter Media also sold its Learning Resources Division to MacMillan Publishing Co., for \$3 million in 1982.

While the Canadian end of the business periodical publishing struggled, the company's stable of Canadian consumer magazines fared well despite the economy. Circulation of Maclean's, the equivalent of *Time* or *Newsweek*, held firm at 625,000 during 1982. It has a higher penetration among Canadians, says Mr. Botting, than either *Time* or *Newsweek*. Its editor, Peter C. Newman, left his post but continues to write for Maclean's. Kevin Doyle from *Newsweek* replaced him.

Canadian magazines Chate-laine (a women's service book), *Flare* (for young women), and *L'Actualite* (a consumer magazine in French and English) also held their own in ad lineage. The company's only U.S. consumer publication, *Program Guide*, a cable and pay tv guide, showed marked growth in 1982. Started in 1981, the monthly now serves eight communities and there are plans to continue expanding its coverage. It competes with *Time Inc.*'s monthly cable guide.

During 1982, Maclean Hunter got into the one area in which it previously had no holdings. In May, the company bought a half interest in the Toronto Sun Publishing Corp., which publishes three tabloids—the Toronto Sun, Calgary (Alberta) Sun and Edmonton (Alberta) Sun. The purchase price was \$55 million and was one of the major reasons the company's 1982 earnings dropped so dramatically compared to the previous year.

Maclean made the purchase with the agreement it would leave the Toronto Sun Publishing Corp. entirely autonomous for at least five years, with no editorial interference. Maclean has two people on the board of directors.

"We had talked to them back in the '70s," says Mr. Botting, "but they weren't interested in selling. Then they came to us last year and said they'd be interested in selling a half interest, and we jumped at the chance. It's a very sound company—its management and editorial product."

The consumer publications group, not including the Toronto Sun Publishing Corp., netted revenues of \$63 million. The combined revenues for the entire publishing division—consumer magazines, business publications and the *Financial Post*—totalled \$153 million.

Maclean Hunter's broadcast division generated \$41.8 million in revenue during 1982, up 8.3% from 1981 revenues. Its holdings include a tv station in Calgary, three radio stations in Alberta,

five in Ontario and two in Nova Scotia. The company increased the number of Alberta radio stations to five when, in August of 1982, it started up CJAX-FM, an urban country format for Edmonton.

The cable division was one of the company's most active during 1982. Maclean Hunter increased its viewership to 925,000 households during 1982. In Ontario, it is the largest cable operation, with 70% of all homes that receive cable getting Maclean Hunter's services—16 systems serving 20 municipalities. It hasn't branched into other parts of the country yet, but the company has made significant inroads in the U.S.

Maclean Hunter added two new franchises in 1982 in Waterford and Garden City, Mich. It is the largest cable operator in New Jersey. The company will probably slow down significantly on new market expansion during 1983, says Mr. Botting. "We feel most of the good markets have been tapped," he explains, "and the ones that haven't will simply cost too much to develop. It's better to concentrate on what we now own."

Maclean Hunter has a number of nonmedia holdings in Canada that contributed about \$20.3 million of the company's revenues: A radio paging company in Ontario, trade show operations, book distributing and a press clipping/direct mail service.

Although Maclean Hunter has a large printing operation, it hasn't technically been a revenue producer because it is used almost exclusively for in-house printing of trade magazines. However, says Mr. Botting, the printing operation in 1982 began soliciting more outside business and that will continue in 1983, so this year printing operations could become a more significant income-producer than in past years.

U.S. MEDIA PROPERTIES Cable/Video

MICHIGAN: East Detroit, Garden City, Pontiac, Taylor, Temperance, Waterford. NEW JERSEY: East Orange.

Magazines

American Print & Lithographer, Boxboard Containers, C-Store Business, Coal Mining & Processing, Concrete Products, Dog World, Graphic Arts Product News, Home Improvement Contractor, Hospital Practice, Paper-Film & Foil Converter, Program Guide, Progressive Grocer, Rock Products and "National Market Reports."

McCall Publishing

McCall Publishing Co., New York, is the nation's 76th largest media company, with total net revenues of \$110.0 million in 1982, all from media properties. In 1981, total revenues were \$97.2 million.

The company is privately held by the Pritzker family of Chicago, whose other properties include Hyatt Corp., Rosemont, Ill.

About 90% of the company's revenues last year were derived

from flagship *McCall's*. The remainder came from annual special interest publications of the magazine—*McCall's Beauty & Diet Guide* and *McCall's Cooking School*—along with *Working Mother*, a separate publication founded in 1979, and American Family Publishers, a subscription solicitation company, much like Publishers Clearing House, which is co-owned with Time Inc.

Just as is the fate of *McCall Publishing* is tied to the fortunes of *McCall's*, the fate of *McCall's* is linked to the fortunes of the women's service magazine field. While 1982 was no banner year for any of the aforementioned, there are signs that 1983 could bring better times for all.

Ad pages for *McCall's* last year fell 9.1%, while ad revenues dipped 5%. In the first quarter of '83, however, both pages and revenues rose, as did newsstand sales, the latter despite a 25-cent cover price increase to \$1.50 that took effect in June, 1982. The circulation rate base is 6.2 million; the magazine ended the last six months of '82 with circulation at 6.3 million.

McCall Publishing executives expect their premiere property to continue making gains through the second quarter of 1983 and the rest of the year. "We're feeling rather bullish about what's going on," said Raymond Eyes, president of the company and publisher of the magazine.

The officials take issue with the widely held belief that the traditional Seven Sisters women's magazines are losing ground to a new breed of publication. While it is true that "a small number of magazines with infinitesimal circulation are showing big gains," said Robert Stein, executive vp-editor, "the large magazines are finding more and more younger readers. If a small specialty magazine finds 100,000 readers in their 20s and 30s, it's proof of reaching the market, right? If a mass magazine reaches 500,000 [such readers], nobody makes that connection."

A decade ago, said Mr. Eyes, the Seven Sisters "would have given their eyeteeth" for the ad-page counts they're amassing today. "Women's service magazines, taken collectively, are selling more dollars worth to readers and advertisers than even six or seven years ago," he added.

Mr. Eyes attributed the improvements being shown by *McCall's* in part to a decision announced last December that ad rates will be frozen for all of 1983. Similar moves were later made by *Good Housekeeping* and *Family Circle*. It was also helpful, he said, that there were "moderating price increases from paper companies and ink companies, as well as the holding of the line and, in some cases, small decreases, from suppliers."

In future months, *McCall Publishing* should benefit, in Mr. Eyes' view, from "the growing realization of the erosion of television audiences. Advertisers are looking at our kind of mass vehicle [as an alternative] with every passing month." Mr. Stein predicted that "five years from

now, we're going to deliver much bigger audiences than primetime shows."

To enable *McCall's* to capitalize on what Mr. Eyes considers the momentum of the first quarter, a variety of editorial and promotional projects are under way. There'll be a special seven-page fitness section in the July issue and an entertainment promotion in November. September will see the return of the magazine's "Reader of the Year" contest, which he said "got us lots of public exposure" its first time around last fall.

The company's optimism extends to American Family Publishers, which sells subscriptions to magazines from many publishing companies via sheets of stamps and sweepstakes. *McCall Publishing* and Time Inc. had been partners in AFP with Charter Co. When the latter decided to divest itself of its media operations, *McCall Publishing* increased its ownership from 33 1/3% to 50%, effective last June 30.

The company is also optimistic about *Working Mother*, which Mr. Eyes said had a "fantastic" 1982. The rate base was increased by a third, to 400,000, in March, 1982. Another increase, to 500,000, is scheduled to take effect this September.

This magazine is "more highly specialized" than *McCall's*, said Mr. Eyes, as it "grew out of research *McCall's* did on our audience." It's targeted to "that group which really needs help," he said, "who work and have small children. That's also a group advertisers have a terrible time finding."

McCall Publishing hopes a better 1983 will bring an end to the once-persistent rumors of the Pritzkers' impending sale of the company. "I can't express the ridiculousness of those kinds of observations," Mr. Eyes said. "It may be that our prosperity will kind of wave that sort of gossip off."

MEDIA PROPERTIES Magazines

McCall's, *Working Mother*, *McCall's Beauty & Diet Guide*, *McCall's Cooking School*.

OTHER PROPERTIES

American Family Publishers (50% interest).

McClatchy Newspapers

McClatchy Newspapers, Sacramento, Cal., is the 49th largest media company, with 1982 revenues, estimated by ADVERTISING AGE, of \$185.0 million, all from media operations. That represents an increase of about 15% from 1981 estimated revenues of \$160.0 million.

The family-owned-and-operated business is active in newspaper, radio and cable tv and is eyeing new technologies, including videotex and cellular radio.

The \$600,000 purchase of WCPT-TV, an independent station in Crossville, Tenn., fell through in July, 1982. The company now owns no commercial tv station and has no immediate

plans to purchase one.

While newspapers represent more than 85% of the company's business and are still its primary emphasis, McClatchy wants to keep abreast of other communications developments. To that end, it set up a joint-venture agreement with two companies to get involved in cellular radio, the technology that will eventually make possible sophisticated transmission from cordless telephones in cars, briefcases and wristwatches. The two companies, FMI, Miami, and Cellular Communications, New York, are both partners with Western Union.

Another area of high-tech communications that McClatchy continues to examine is electronic publishing. After withdrawing from a joint venture with Time Inc.'s cable subsidiary, American Television & Communications Corp. (ATC), the company signed another one with Times Mirror Co., Irvine, Cal. The partnership calls for an investigation of videotex possibilities within the Sacramento market. A more permanent joint venture may be possible, but for the moment the company just wants a look-see. "We're just not sure where this is all headed, but we want to be on top of it if it appears to be an explosion of some sort," corporate vp, Erwin Potts said.

McClatchy hasn't added to its stable of four cable systems in the last year. Though three have increased their subscriber counts, "they haven't grown as rapidly as we had hoped," Mr. Potts said. He blamed the slowdown on the recession, which deters people from signing up for cable and increases numbers of disconnects. Norcal Cablevision, McClatchy's only mature cable system, served 25,000, as of the end of March, 1983. The drop from 37,000 (the number of subscribers given in last year's 100 Leading Media Companies report) results from a reorganization of Norcal in January, 1983. Forty per cent of the system was turned over to Viacom, which already owned it. The 60% that remains, now managed and 100% owned by McClatchy, serves four franchise areas north of Sacramento.

Fresno Cable TV Ltd., also 100% owned, serves 37,200 subscribers in Fresno and surrounding areas. All construction on the system is due to be completed this year. Tel-Cab Communications Cable, also virtually completely, serves 2,800 in the Reno, Nev., area. Sequoia Cablevision, activated in March last year, has signed up about 6,000 in the Tulare County region of Central California.

McClatchy's only acquisition last year was LegiTech, Sacramento, a computerized service for tracking state legislation and political contributions. The service is sold to magazines and newspapers for a fee.

Newspapers are still the company's mainstay. Mr. Potts professed the greatest pride in the *Anchorage Daily News*, which had a circulation of about 6,000 when McClatchy bought it in 1979 and now has surpassed the *Anchorage Times*, its main competitor, in daily circulation. Ac-

cording to Audit Bureau of Circulations, the *Daily News*' average circulation for six months ending March 31 was 48,557 daily and 50,796 Sundays. The *Times* figures stood at 45,351 daily and 55,792 Sunday. The paper is still operating in the red, although Mr. Potts won't say by how much. "Obviously, we have put other things in front of financial [considerations], though we would like to be doing better on the bottom line," he said.

John Morton, newspaper analyst with Lynch, Jones & Ryan, Washington, observed that the company has been deliberately losing money to win a strong market position. He estimated the loss at between \$2 million and \$3 million yearly. "It's a long-term gamble," he said, but added that Anchorage is not a market that would support two newspapers.

McClatchy's three *Bees* have weathered the recession well, though they haven't done as well as predicted. The *Sacramento Bee* is the strongest, but faces competition from the *Sacramento Union*, whereas the *Modesto Bee* and *Fresno Bee* are lone dailies in their respective markets.

The news for some of the company's smaller newspapers is not as bright. The *Gilroy Dispatch*, a five-day-a-week paper, has been affected by the slowdown. "Lineage is not what we would like it to be," said Mr. Potts.

Gilroy lies on the southern end of the Silicon Valley and high-tech industries to the north have been badly affected by the economy.

The *Tri-City Herald*, a daily in Richland, Wash., has been drastically affected by the woes of troubled nearby Washington Public Power Supply System. After two partially completed nuclear power plants were scrapped in January, 1982, more than 6,000 jobs vanished overnight. While no employees have been laid off, the paper has had to make some "adjustments" in its payroll, Mr. Potts said. He predicted that agriculture and some research-oriented businesses will eventually fill the void left by the fading nuclear industry. Meanwhile, the paper's circulation has dropped to 36,547 for the six-month period ending March 31, according to the Audit Bureau of Circulations. The year-earlier figure was 39,682.

MEDIA PROPERTIES Broadcasting

RADIO: KFBK (am) and KAER (fm), Sacramento, Cal.; KMJ (am) and KNAX (fm), Fresno, Cal.

Cable/video

CALIFORNIA: Norcal Cablevision, Yuba City; Sequoia Cablevision, Tulare; Fresno Cable TV Ltd., Fresno. NEVADA: Tel-Cab Communications (80% interest), Reno.

Newspapers (dailies)

ALASKA: Anchorage Daily News (80% interest). CALIFORNIA: *Fresno Bee*, *Gilroy Dispatch*, *Hollister Freelance* (50% interest), *Modesto Bee*, *Sacramento Bee*. WASHINGTON: *Tri-City Herald* (Richland).

Newspapers (nondailies)
CALIFORNIA: *Clovis Independent*, *Lincoln News Messenger*, *Morgan Hill Times*.

OTHER OPERATIONS

San Joaquin TV Services (an earth station operator), Fresno, Cal.; Fresno MDS Co. (33% owned), a multipoint distribution system, Fresno, Cal.; Legi-Tech (90% owned), a legislative information service, Sacramento, Cal.

McGraw-Hill

McGraw-Hill, New York, is the country's 12th largest media company, with revenues of \$804.2 million from media operations in 1982, or 67% of total revenues of \$1.19 billion. In 1981, media revenues were \$732.4 million, or 66% of total revenues of \$1.11 billion.

Business magazines, trade magazines and newsletters, including *BusinessWeek* and "NuclearFuel," provided 29% of total revenues last year. A variety of information services, including "Dodge Reports" for the construction industry, Standard & Poor's debt-rating service and computerized economic databases provided another 34% of revenues. Broadcasting operations, consisting of four tv stations, contributed 6% to revenues.

Each business segment contributed operating profits somewhat in proportion to revenues: Publications, 24%; information services, 39%; broadcasting, 11%. Total operating profit in 1982 was \$227.9 million. Net income totaled \$110.0 million.

Recognizing the growth of new technologies as well as seeing its information and financial services increase their contributions to corporate revenues and income at a greater rate than traditional books and publications, McGraw-Hill has indicated that its future lies in expanding in this field while maintaining its established businesses.

Last year the publications company was the only major division to report a drop in profits, in contrast to large profit gains made by information and broadcast operations. The decline was attributed to cuts in spending by advertisers.

Ad pages for *BusinessWeek*, the company's flagship publication, also continued a decline in the first quarter of this year, 6.5%, from year-ago levels, but the total—1,026—was higher than expected, according to the company. John G. Wrede, who was appointed president of the publications subsidiary earlier this year, replacing Paul McPherson, has said there are signs that an improvement in pages will pick up later in the year. Other major personnel changes occurred in the past year as Harold W. McGraw Jr. relinquished his ceo post this spring while remaining chairman and chief of the executive committee. Mr. McGraw was succeeded by Joseph L. Dionne, who has been president since 1981.

Mr. Dionne said the company's annual growth goal re-

By Lori Kesler

When 29-year-old Jeffrey M. Gluck of Columbia, Mo., bought the dying *Saturday Review* last November, the skeptics immediately started sniping.

Such a high-brow magazine certainly should have a more respectable return address, they said. And anyway, how could this young upstart from the Midwest believe he could succeed where seasoned New York veterans had failed?

Perhaps the skeptics could be excused for their concerns. It's true, after all, that Columbia isn't exactly a hotbed of cultural activity. It has no professional orchestra, opera or ballet. It's a small college town that sits quietly—very quietly—in the middle of rural Missouri north of the Ozark Mountains. And the magazine's editorial offices, in the Tiger Tower apartment building near the University of Missouri campus, may be a long way from the hearts and minds of most *Saturday Review* subscribers.

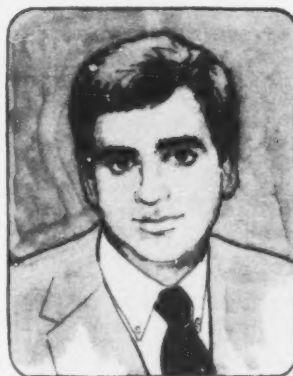
Nevertheless, Mr. Gluck, who led a group of investors in purchasing the magazine that had lost \$3 million in the last two years alone, has published two issues of *SR* so far—it's a bimonthly now—and he's challenging the skeptics to take a look.

"We've got all the same critics and columnists back except one who retired and one who died," he says. And *SR* reinstated cartoon editor Clarence Brown, who'd dropped out of the picture under the magazine's previous owners, Macro Communications Corp. of New York.

Norman Cousins, editor of *SR* from 1939 to 1971 and again from 1973 to 1978, remains editor emeritus, and distinguished critics such as Judith Crist, Stanley Kauffmann and William Cole still write for the magazine.

"While we recognize that New York remains the cultural hub

around which much of the artistic world revolves, we see no problem, in this age of computers, express mail and tele-



Gluck: Whatever we get on advertising is gravy.

phones, in publishing from the Midwest," Mr. Gluck says. "Our columnists simply mail their copy across the country instead of across town."

All of *Saturday Review's* editorial material comes from columnists and contributing editors. The staff just edits it, and that can be done anywhere, Mr. Gluck says.

"In fact," he adds, "Macro Communications could have sneaked out of New York and moved *SR* to North Dakota three years ago. Nobody would have known the difference."

Mr. Gluck says the magazine's editorial style won't change much because "it has always led the field in arts and literature." But he thinks its business operations in the past were "a disaster," and he's revamping the subscription and advertising structure.

When *SR* folded last August, it had 425,000 circulation, but its rolls were badly bloated by discounted subscriptions from service agencies that took heavy commissions. About 200,000 agency subscriptions were transferred to other publications.

When Mr. Gluck bought the magazine, the more than 200,000 subscriptions he inherited amounted to an estimated \$3 million liability.

group vp of the unit.

At *BusinessWeek*, a new team was installed to revitalize the business weekly. Last year, ad pages fell 10% to 4,325 from 4,845 and revenues were up less than 1% to \$133.5 million.

The magazine, which the company claims led all U.S. magazines in ad pages for the eighth successive year in 1982, remained in sixth place among U.S. magazines in ad revenue, after Time Inc.'s *Sports Illustrated* and *People* bypassed it two years ago.

This spring the magazine took on a new look in a major redesign, and a new marketing strategy is in the works.

By early this year, *BusinessWeek* began to feel the impact of the new publisher, James R. Pierce, named June, 1982. Mr.

"Those people paid their money, and somebody collected it, but that money's long gone," Mr. Gluck said.

Now the magazine has 203,000 subscribers and Mr. Gluck is letting the unprofitable ones lapse while trying to build a base of full-price subscriptions and newsstand sales.

"We're not taking the route of losing money on subscriptions and making it back on advertising," Mr. Gluck says. "We'll depend on subscriptions to pay the way, and whatever we get on advertising is gravy."

He says this method of operation should make the magazine more attractive to advertisers because "they know readers who pay top dollar are the ones that really want the magazine. Discounted subscriptions, on the other hand, dilute demographics." *SR* is promoting subscription and newsstand sales via an ad campaign that broke in May on three cable networks and in several magazines.

Still, he thinks *SR* should begin to have positive cash flow before the end of this year. Advertising sales have been stronger than expected, with 22 ad pages the first issue, about a dozen the second issue and early sales of 22 for July/August. Tobacco and liquor are *SR's* biggest advertisers, followed by corporations, books and travel.

Some say Mr. Gluck chose a bad time to try to revive a magazine, but he thinks it may have worked out just right. "It's nice to start during a slump because you're just getting organized anyhow," he says, "so you're not losing much. Now we're getting things going, and the economy's starting to roll, too."

Mr. Gluck, a native of Chicago, left the University of Missouri in 1974 so that he and his wife, Debra, could start *Campus Digest*, a newspaper for students in Columbia. He set up a similar paper at the University of Illinois and later sold it.

Then in 1981 he bought *Missouri Life*, a slick magazine that had lost \$600,000 in three years in the hands of its owner, Missouri Sports Network. Mr. Gluck

bought it and trimmed expenses by reducing the number of color photographs, cutting paper quality and paying writers less. He turned a profit within 18 months.

Mr. Gluck insists he won't "go cheap" with *SR*, but he emphasizes that it will cost considerably less to produce it in the Midwest than in New York.

He can pay editors less in Missouri, he says, because of a lower cost of living. In addition, the staff does typesetting in-house and sends camera-ready pages to Denver, where the magazine is printed. Also, the magazine now spends about one-tenth as much money on office space as did former owner Macro Communications.

The 58-year-old *SR* went bankrupt in 1973 and was revived again that year by Norman Cousins, who merged it with another publication he had founded. It was sold again in 1977 and 1980. Macro Communications suspended publication last August.

In its latest reincarnation, *SR* costs \$2.50 instead of \$1.75 and, though now a bimonthly, it may return to monthly publication, Mr. Gluck says.

"Macro didn't think the old editorial formula would work. We think it will," he says. "We think their mistake was trying to make advertising the sole profit center."

Neither Mr. Gluck nor Macro revealed the terms of sale, but it's known that creditors foreclosed before the magazine was sold, so Mr. Gluck and associates bought the subscriber list and the name, but not the corporation, nor its debt.

However, to make the best offer, "we did agree to assign a certain source of income to secured creditors," Mr. Gluck says, in effect agreeing to pay off approximately \$1 million in debts.

It will be a long time before the company officially becomes profitable, Mr. Gluck says. "But as far as cash flow goes, I think we'll turn the corner in just a couple of months. And that's when I'm going to feel I'm making money." ■■■

Pierce had been publisher of *Aviation Week & Space Technology*, another McGraw-Hill publication. John W. Patten succeeded Mr. Pierce. For the first time, a *BusinessWeek* publisher became involved in editorial matters that previously had been the sole responsibility of the editor-in-chief.

On the editorial side, Stephen Shepard, (who had been editor of *Saturday Review* before it folded), rejoined *BusinessWeek* as executive editor.

In another personnel change, Richard Thompson was named ad director, replacing Orlin (Chic) Davis, who left the company. Also in the publication division, Howard Mager was named publisher of *Chemical Week*. The company sold *Housing* and discontinued *Industry*

Mart and "Textile Week." It started two new newsletters, "Infocomm Standards" for the data communications industry and "International Petrochemical Report." A new wire service, Platt's Crude Oil Marketwire was also introduced.

In broadcasting, John Proffitt was named vp-McGraw-Hill Broadcasting Co. and general manager of KERO-TV. The company continued to upgrade its equipment and co-produced with Paramount Television a pilot for a weekly tv series focusing on personal business, planned for distribution next fall.

MEDIA PROPERTIES Broadcasting

TELEVISION: KERO, Bakersfield, and KGTV, San Diego;

KMGH, Denver; WRTV, Indianapolis.

Financial services
Standard & Poor's Corp. Records, Blue List, Trendline, Outlook, Credit Week, Stock Reports, MarketScope.

Information services
Dodge Reports, Sweet's Catalogs, Scan, Datapro Reports, Construction Analysis System, Product Information Network, Multi-List, Cost Information Services, Data Resources, Data Resources Economic Information; jointly with I.P. Sharp Associates: Electronic Markets & Information Systems.

Magazines
American Machinist, *Architectural Record*, *Aviation Week & Space Technology*, *BusinessWeek*, *BusinessWeek International*, *BYTE*, *Chemical Engineering*, *Chemical Week*, *Coal Age*, *Data Communications*, *Electrical Construction & Maintenance*, *Electrical Wholesaling*, *Electrical World*, *Electronics*, *Engineering & Mining Journal*, *Engineering News-Record*, *Fleet Owner*, *Fleet Owner/Small Fleet Edition*, *Graduating Engineer*, *International Management*, *Modern Plastics*, *Modern Plastics International*, *NC ShopOwner*, *The Physician & Sportsmedicine*, *Popular Computing*, *Postgraduate Medicine*, *Power*, *Professional/Managerial Network* (a marketplace for advertisers consisting of 18 McGraw-Hill magazines packaged in one buy), *Textile Products & Processes*, *Textile World*, *33 Metal Producing*.

Magazines (joint-venture)
International Industrial Report, *Nikkei Architecture*, *Nikkei Biotechnology*, *Nikkei Business*, *Nikkei Computer*, *Nikkei Electronics*, *Nikkei Mechanical*, *Nikkei Medical*.

Newsletters
Biotechnology Newswatch, Coal Statistics International, Coal Week, Coal Week International, Activity Digest, Green Markets, Infocomm Standards, Inside Energy/with Federal Lands, Inside F.E.R.C., Inside N.R.C., International Construction Week, International Petrochemical Report, Keystone News-Bulletin, Long Term Care, Medical Utilization Review, Metals Week, Metalworking Sales Leads/MSL, NuclearFuel, NuclearWeek, Platt's Energy Litigation Report, Platt's Oilgram News, Platt's Oilgram Price Report, Platt's Oil Marketing Bulletin, Platt's Oil Policy Letter, Securities Week, SynFuels, Washington Health Record, Washington Report on Health Legislation, Washington Report on Medicine & Health.

Newswires and services
Chemical Week Newswire Service, Fuel Price Analysis, McGraw-Hill's Solventwire, Metals Week Insider Report, Platt's Bunkerwire, Platt's Crude Oil Marketwire, Platt's L.P. Gaswire, Platt's Oilgram Marketscan, Platt's Oilgram News/Wire, Platt's Petrochemical Scan, Platt's Polymerscan World News (internal service only).

OTHER OPERATIONS
Data Resources, McGraw-Hill Book Co., McGraw-Hill International Book Co., McGraw-Hill

Newspaper names worth a second look

By Jack Hafferkamp

By their names, so shall you know them. America's newspapers carry a tradition of independence, and that spirit lives through their names as well as their editorial policies.

Besides all of our *Times*, *Todays*, *Tribunes*, *Gazettes*, *Posts* and *Daily Newses*, we share a treasure trove of curious, unlikely, pugnacious and—to nonreaders—humorous names that collectively celebrate the inventiveness of the vision of American journalism.

Where else in the world, besides Australia, perhaps, would you find the *Daily Boomerang*? The morning daily (circ. 8,000) in Laramie, Wyo., was launched in 1881 by western humorist Bill Nye, who named his new paper not after a throwing stick, but a donkey he couldn't get rid of. No matter how he tried to lose it, the donkey always came back.

At least Mr. Nye's paper was named for a live animal. The *Watsonville* (Cal.) *Register-Pajaronian* was named for a dead bird. Begun in 1868, the *Pajaronian* was Watsonville's first paper, serving the Pajaro River valley, which was discovered by Spanish explorer and governor Gaspar de Partola in the 18th century.

Pajaro is Spanish for bird, and apparently Partola applied it because he found a dead bird at the mouth of the river. Today the 13,000 circulation daily is very much alive.

There is nothing resembling a mountain anywhere near Lubbock, Tex., although one might be confused by the *Lubbock Avalanche Journal*, a morning daily with circulation of 58,000, serving western Texas. Apparently the paper was named in 1900, shortly after J.J. Dillard purchased the preceding *Lubbock Leader*. Mr. Dillard was describing his ambitions for the

Jack Hafferkamp is a freelance writer based in Chicago.

paper to Lubbock County High Sheriff Eastin Wolfarth when the lawman reportedly said, "Going to sweep over us like an avalanche, huh?" The rest is history.

In Elkhart, Ind., the *Truth* was "probably named in a dispute over accuracy." So says Anthony Biggs, publisher of the evening paper with a circulation of 30,000. Around the turn of the century, he explains, "there were

Dealer, which first appeared as a weekly in 1842. At that time owners Admiral Nelson Gray and his brother J.W. Gray said of their \$1,000 investment, "Our democracy and modesty suggest the only name that befits the occasion [is] 'The Plain Dealer.'"

Perhaps the difference between aiming for the best and wishful thinking is exemplified by the *Boulder* (Colo.) *Daily Camera*. Bert Ball and Fred

weekly to a daily just 10 years ago, and according to staffer Ann Stewart, the cheery name sometimes causes people to assume that "we print only good news."

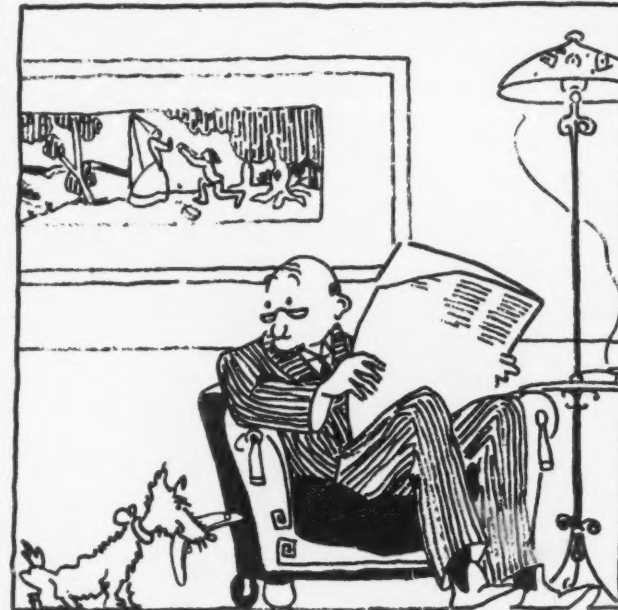
Another annoyance arising from the upbeat name, says Ms. Stewart, is that "when you call out of the county, say to Trenton, you often have to repeat the name many times. People don't hear it. They say, 'Today's Sunday? I thought today was Tuesday.' Last week we got letters addressed to the 'Sun-Bean' and 'Sun-Beak.'"

The *Sun-Tattler*, a 40,000 circulation daily in Hollywood, Fla., sometimes has similar problems. Having formed in 1942 from the merger of the *South Broward Tattler* and the *Hollywood Sun*, the paper is firmly established among local readers. But, says Gary Michalowski of the circulation department, "If I need to call a vendor out of our area, people sometimes think we must be a scandal sheet like the *National Enquirer*. They're leery until they find out we're a Scripps-Howard daily."

Perhaps the alltime favorite strange-till-you-get-to-know-it name belongs to New Orleans' *Times Picayune/States Item*. Quite a mouthful. It's an all-day paper that evolved from the consolidation in June, 1980, of the *States Item* and the *Times Picayune*. The latter was itself the result of a 1914 merger. The *Picayune*'s roots go back to January 25, 1837.

Picayune is an adjective most often used to indicate triviality or little value. But that's not the only meaning, or it would be a genuinely bizarre choice for a name.

A *picaune* also was a small, low denomination Spanish-American coin that once circulated widely in the South. Editor Charlie Ferguson says it may well be that in its early days you could buy the *Picayune* with a *picaune*.



two papers in town, and in a dispute over which was more accurate, one publisher said 'By God, mine is the truth.' The name stuck."

Mr. Biggs adds that the only other paper he knows of in the world with the same name is *Pravda* from the Soviet Union. "Please don't compare us to them," he emphasizes. "We've got a very conservative bent to our editorial policy." Truth, after all, is a relative concept.

However, another particularly upfront example of the unvarnished variety of newspaper names is the *Cleveland Plain*

Johnson began it in 1891 as a weekly, and originally the pair thought they would use more pictures than other papers. In fact, they weren't equipped, and for several years the paper made do with a front page drawing of a man looking at the world with a camera.

Today the *Daily Camera* features color photos, and occasionally puts up with its mail being delivered to the Boulder Camera Co.

Less ambitious—at least name-wise—is *Today's Sunbeam* a 12,000 circulation daily in Salem, N.J. It switched from a

Information Systems Co., Standard & Poor's Corp.

Media General

Media General, Richmond, Va., the 38th largest media company in the U.S., had media revenues of \$248.1 million in 1982, or 58% of \$429.4 million in total revenues.

This represented an increase of 26% over the \$197.1 million recorded in 1981, or 54% of \$366.5 million in total revenues.

Of the total, \$183.4 million came from newspapers (74% of media revenues) and \$64.7 million from broadcast (26%). The increase in revenues, the company said, reflected "to a significant degree the revenue contribution from the William B. Tanner acquisition." As the largest broadcast services organization in the U.S., Tanner is a big income producer, and Media Gen-

eral has high hopes for its performance.

Despite the rise in 1982 sales, net income of \$32.5 million for 1982 was up just 3% from \$31.6 million the year before, the result of a recessionary economy and declining prices of newsprint, in which the company has sizable interests.

The position of Media General today among its business peers is notable on a number of counts: For one, the company joined the *Fortune* 500 in 1982, ranking 495 in sales but 109 in annual earnings and 77 in net income as a percentage of sales. For earnings-per-share growth rate, Media General scored at the 21% level, putting it in a tie with the New York Times Co. for No. 1 among media companies and comparing with other media companies including Knight-Ridder at 11% and the Washington Post Co. at 6%.

Media General termed 1982 a

year "of great change and accomplishment," and a company spokesman said it is now in "a change of strategy from internal growth to acquisitions complementing our company." Considerable attention was paid to the broadcast division, which it expanded by:

- Acquiring WJKS-TV, Jacksonville, Fla., for \$18 million from Ziff Corp. while selling WFLA (am, fm) radio, Tampa, Fla., to John Blair & Co. for \$12 million. WFLA-TV, Tampa changed call letters to WXFL-TV.

- Acquiring ABC-affiliate WCBD, Charleston, S.C., from the State Record Co. for \$8 million.

- Obtaining the cable tv franchise in Fairfax County, Va., with more than 200,000 households and 600,000 viewers. (A suit filed against Fairfax Co. and others, including the Media General Cable of Fairfax

County, challenges the validity of the cable tv franchise recently granted to the Media General subsidiary.)

- Acquiring, for \$36 million plus an earnout, the William Tanner Co., Memphis, Tenn.

Broadcast division revenues rose by a thumping 177% over 1981, largely because of the Tanner and WJKS acquisitions, which together brought \$38.3 million of the company's 1982 total revenue advance of \$62.9 million. Broadcast earnings rose 15%.

In the newspaper area, a major Media General strategy now is capitalizing on its basic strength by further developing its papers in the Sunbelt and looking to more expansion in Sunbelt areas.

For the Tampa papers, the decision was made to merge the evening *Tampa Times*, with only 20,286 circulation (September, 1982 audit), into the morning

Tribune, creating an all-day newspaper. Circulation of the *Tribune* before the merger was 182,878 daily and 238,101 Sunday. Totals have since risen to 216,963 daily and 276,196 Sunday.

Both the Tampa and Winston-Salem newspaper organizations have moved into cable news. The *Tampa Tribune* has created the Tribune Cable Network, intended to reach in several adjoining counties and already up to its full capacity of 300 ads daily. The Winston-Salem papers have started NewScan, a cable news service that directly links their newsroom computers with the local cable system.

While total revenues of Media General's 31 Southern California weekly newspapers increased 6.3%, profits fell because of what the company called "unusual bad-debt losses" in one of the two groups of papers, Highlander Publications, with 25 papers. Together with the six papers of Golden West Publishing, these publications in the Los Angeles-Orange County area serve a market as big as the 25th largest metropolitan area in the U.S.

Among Media General's other holdings are Cliggett Publishing Co., which publishes three medical journals, *Consultant*, *Journal of Respiratory Diseases* and *Psychosomatics*.

Another property, Technical Information Distribution Services, publishes *Electronic Literature Review*, *Electronic Specification Review* and *Precis*. It also operates a computerized listing of electronics/computer buyers for direct-mail information and promotional use.

Media General Financial Services, a major publisher of financial data and stock tables (with the Associated Press), makes its database available to national organizations such as Reader's Digest Assn. and Dow Jones & Co.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WCBD, Charleston, S.C.; WJKS, Jacksonville, and WXFL (formerly WFLA), Tampa, Fla.

Cable/video

Tribune Cable Network (TCN), serving Hillsborough County and Pinellas County in Florida. NewSScan, serving Winston-Salem, N.C. Media General Cable, Fredericksburg, Va., serving Fredericksburg and Spotsylvania and Stafford Counties. Media General Cable of Fairfax, Fairfax, Va., serving Fairfax County.

Magazines

Cliggett Publishing Co.: *Consultant*, *Journal of Respiratory Diseases*, *Psychosomatics*. Technical Information Services: *Electronic Literature Review*, *Electronic Specifications Review*, *Precis*.

Newspapers (dailies)

FLORIDA: *Tampa Tribune*. NORTH CAROLINA: *Winston-Salem Journal*, *Winston-Salem Sentinel*. VIRGINIA: *Richmond News-Leader*, *Richmond Times-Dispatch*.

Newspapers (nondailies)

CALIFORNIA: Highlander Publications, publishing 25 weeklies in the Orange County

Los Angeles area. Golden West Publishing, Mission Viejo, publishing six papers in the area between Los Angeles and San Diego.

OTHER OPERATIONS

Beacon Press (commercial printing), Garden State Paper Co. (newsprint manufacture), Media General Financial Services (financial data dissemination), Onduline-USA (building materials), William B. Tanner Co. (tv-radio services in five areas: Media placement, special products, broadcast services, television sports network, travel operations). Technical Information Distribution Service.

Meredith Corp.

Meredith Corp., Des Moines, Ia., is the 32nd largest media company, with revenues of \$266.0 million in magazine publishing, broadcasting and cable operations, representing an increase of 12% over restated media revenues of \$236.7 million in 1981.

Total revenues were \$449.1 million, an 11.3% increase from 1981 revenues of \$403.4 million.

Meredith, which closes its 1983 fiscal year on June 30, is expected to report only slightly higher revenues for the new year. At the end of the first three quarters, Meredith's total revenues were down from \$340.6 million in 1982 to \$339.3 million in 1983.

The dip was due in part to a change of ownership of its Des Moines printing operations to Meredith/Burda Co., limited partnership. Revenues for all other operations were up \$3 million for the same period. Net earnings for that nine months fell 1.5% to \$6.4 million from \$6.5 million.

Total profits for fiscal 1982 were \$26.9 million, up 5% from last year. Most of the company's profits came from an increase in tv revenues. Meredith's allied products and services, which includes its real estate service, was the only business group to show a loss in revenues for fiscal 1982.

Magazine publishing for the 1982 fiscal year accounted for about 42% of total revenues, broadcast properties, 17%. Book publishing, the largest nonmedia segment, contributed \$66.5 million in revenues, or 17% of total revenues. The company also operates printing and financial services, as well as the real estate interest.

Better Homes & Gardens celebrated its 60th anniversary with a 3% increase in circulation to 8 million, and a 9% decrease in ad pages. The magazine's gross advertising revenues surpassed the \$100 million mark for the first time in its history, according to the company. *Metropolitan Home*, upgraded from *Apartments* in 1981, posted a 6% increase in ad pages in 1982. It increased its ad rates 9% as of 1983. The magazine showed a 6.7% increase in circulation bringing it to 716,000, about 100,000 copies short of its predecessor's. *Sail* showed a 4.3% decrease in ad pages.

Successful Farming posted a 6.9% decline in ad pages in

1982, typical for that magazine category. It continued with its Market Call program, a free management and marketing service for farmers. The service averaged 5,000 calls per week in July, 1982.

The company bought one newspaper, the *New Mexico Sun* (Albuquerque), during fiscal 1982 and sold Kansas City, Mo.-based KCMO and KCEZ (fm) to Fairbanks Broadcasting Co., Indianapolis. Meredith is awaiting Federal Communications Commission approval for the sale of WOW and KEZO (fm), Omaha, Neb., to Omaha Great Empire Broadcasting, a subsidiary of Great Empire Broadcasting, Wichita, Kan. This brings the number of newspapers Meredith owns to 26 and reduces its number of owned radio stations to two.

KPHO-TV, Phoenix, and WPGH-TV, Pittsburgh, Pa., were major sources of revenue for the company. KPHO-TV is the leading major market independent tv station in the country, according to the company.

Meredith plans to use the same type of programing schedule—movies, local news and syndicated shows—it uses in Phoenix to bolster WPGH-TV, which has continued to break its own audience share and ad revenue records during the four years Meredith has owned it. Also, the company purchased NBC affiliate KSEE, Fresno, Cal., from San Joaquin Communications Corp., and it has acquired the remaining 60% ownership of WOFL-TV, Orlando, Fla., from Omega Communications.

Meredith is continuing its slow but steady entry into cable with mixed results. Meredith Video Publishing's first major venture into programing, "The Better Homes and Gardens Idea Notebook," ran on USA Network for 13 weeks and was not renewed.

The company also produced "Understanding Your Body: A Woman's Guide from *Better Homes & Gardens*" and after a three-month delay, licensed the videodisc project to VHD Productions, which has begun to distribute it in both disc and cassette formats.

The company's book publishing division, although showing a slight over-all increase in revenues (up 1.5% to \$77.1 million) continued to post sagging retail figures from the sale of its books. Meredith's two book clubs continue to show gains however, with a membership increase of 11.6% last year. The company developed Sedgewood Press to increase the number of non-Better Homes and Gardens titles made available to its book club members.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KPHO, Phoenix, Ariz.; KSEE, Fresno, Cal.; WOFL, Orlando, Fla.; WNEM, Bay City, Mich.; KCMO, Kansas City, Mo.; WTVH, Syracuse, N.Y.; WPGH, Pittsburgh.

RADIO: WGST (am) and WPCB (fm), Atlanta.

Cable/video

Meredith Video Publishing Corp.

Magazines

Better Homes and Gardens, *Metropolitan Home*, *Sail*, *Successful Farming*, *Better Homes and Gardens Special Interest Publications*, *Better Homes and Gardens Family Shopping Service*, *Australian Better Homes and Gardens*.

Newspapers

CALIFORNIA: Community newspapers serving the Los Angeles area—*City News*, *City Press*, *Griffith Park News*, *Hollywood Independent*, *Los Feliz Hills News*, *Northwest Leader*, *Parkside Journal*, *West Hollywood Sun Living*, *Westlake Post*, *Wilshire Independent*, *Wilshire Press*. Community newspapers serving the San Jose area—*Campbell Press*, *Cupertino Courier*, *East San Jose Sun*, *Los Altos Town Crier*, *Los Gatos Times Observer*, *Milpitas Post*, *Mountain View Sun*, *Santa Clara Sun*, *Saratoga News*, *Sunnyvale Scribe*. NEW MEXICO: Community newspapers serving the Albuquerque area—*Valencia County News-Bulletin*, *Rio Rancho Roadrunner*, *New Mexico Sun*, *The Focus* (Kirkland Air Force Base).

OTHER OPERATIONS

Better Homes and Gardens, *Books*, *Better Homes and Gardens Crafts Club*, *Better Homes and Gardens Family Book Service*, *Better Homes and Gardens Insurance Agency*, *Better Homes and Gardens Real Estate Service*, *Meredith Financial Corp.*, *Meredith International Ltd.*, *Meredith Relocation Corp.*, *Meredith Mortgage Corp.* and *Sail Publications*.

Metromedia Inc.

Metromedia Inc., Secaucus, N.J., is the country's 25th largest media company, with revenues of \$326.8 million from media operations in 1982, or 81% of total revenues of \$407.1 million. In 1981, media revenues were \$390.5 million, or 85% of total revenues of \$461.8 million.

Broadcasting accounted for 80% of total revenues, and outdoor advertising about 1%. Operating income for the media businesses last year was \$111.3 million. (Total operating income of \$98.4 million was reduced by losses in the the entertainment division and corporate expenses.)

With the near completion of the upgrading of its radio and tv station lineup, Metromedia is focusing much of its activities on programing, still with an eye on possibly becoming a fourth network. The nation's fourth-largest broadcast operation is working in a variety of areas, including news, movies, talk shows and tv series, on its own as well as via partnerships with other companies.

The company entered several unusual financial transactions to fund new ventures and strengthen its position to the apparent approval of Wall Street, where analysts remain enamored of the company's performance. Earlier this year, the company's price per share of common stock rose over the \$50 mark. In 1974, the stock was selling at \$4.25 a share.

In one deal, Metromedia sold some of its Foster & Kleiser outdoor advertising operation assets to a limited partnership, which in turn is managed by a newly formed subsidiary of Metromedia. This resulted in new financial reporting methods that reduced total revenues and operating income and revised the ratios of contributions of various media to total revenues and operating income from the previous year. The deal provided Metromedia some of the funds it needed to purchase larger tv stations.

In 1982, the company acquired WCVB-TV, Boston, an ABC affiliate and, to comply with Federal Communication Commission regulations that limit the number of stations owned by one company to seven, sold KMBC-TV, Kansas City. WCVB is No. 1 in ratings in the Boston market.

This year, Metromedia closed the purchase of WFLD-TV, Chicago, and sale of WTCN-TV, Minneapolis. Still pending are the proposed sales of WMET an fm radio station, Chicago, and WXIX-TV, Cincinnati.

With the consummation of these deals, Metromedia's tv stations will reach 25% of U.S. tv households. The company says that according to the 1982 Nielsen Station Indexes, Metromedia's tv stations ranked first before the owned and operated stations of the three tv networks in terms of net weekly viewership.

The company's expanded activity in programing is being led by highly regarded Robert Bennett, who as president of the company that owned WCVB, Boston, came to Metromedia with the purchase of that station. He was named senior vp-tv broadcasting and production and was later elected to the board of directors. After the acquisition, BBI Communications, the production unit picked up with the station, was consolidated with Metromedia Producers Corp. Chet Collier, formerly vp-syndication, BBI, was also placed in charge of Metromedia's syndication.

The new division explored but later put on the back burner a five-day-a-week morning information series, called "America Today"; still in the works is an independent news feed that Metromedia hopes to establish, as well as a prime time news program. The company has had conversations with Turner Broadcasting System's Ted Turner regarding cooperative activities such as sharing of bureaus and other ways the two operations might combine to become more efficient.

Metromedia was also successful in saving its syndicated "Merv Griffin Show" from the also-rans and is a partner in one of the most talked about new syndicated offerings, "Thicke of the Night." This 90-minute late-night comedy, starring Canadian writer/producer Alan Thicke, is jointly produced and distributed with MGM/UA Television Distribution and Fred Silverman's InterMedia Entertainment Co.

It has been cleared in 80 markets, including 38 of the top 50, and is being considered as a re-

placement for the long-running "Tonight Show Starring Johnny Carson" in some markets. Johnson & Johnson, Clorox and Warner-Lambert have signed up as sponsors.

Metromedia late last year also increased the frequency of its "HealthBeat" half-hour health information series to weekly syndication from monthly. The show is hosted by Timothy Johnson, who also has been on-air medical editor on ABC's "Good Morning America" and a nationally syndicated newspaper columnist.

The company expects startup by fall of a monthly movie network with a full lineup of stations, both independents and affiliates. Although the company has not said whether it has actually purchased any films, they are to be theatrical films that have not run on the networks.

All of these activities along with its present repertoire of offerings for syndication have led industry observers to believe that the company is once again gearing up to become a fourth network, a hope that was dashed with the explosion of cable several years ago.

Early this year, Metromedia formed a telecommunications division to consolidate its growing activities in radio paging and cellular communications through the acquisition of several companies that operate businesses in eight states.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KTTV, Los Angeles; WCVB, Boston; WNEW, New York; WFLD, Chicago; WXIX, Cincinnati; KRIV, Houston; WTTG, Washington. RADIO: KLAC (am) and KMET (fm), Los Angeles; KHOW (am), Denver; WWBA (fm), Tampa/St. Petersburg, Fla.; WMET (fm), Chicago; WCBM (am), Baltimore; WNEW (am, fm), New York; WOMC (fm), Detroit; WIP (am) and WMMR (fm), Philadelphia; KRLD (am), Dallas/Fort Worth; KJR (am), Seattle; WASH (fm), Washington.

Outdoor

Foster & Kleiser (45,000 boards in 19 markets).

OTHER OPERATIONS

Metromedia Telecommunications, Metromedia Producers Corp., MetroTape, Harlem Globetrotters, Ice Capades, Ice Capades Chalets.

Morris Communications Corp.

Morris Communications Corp., Augusta, Ga., is the country's 73rd largest media company, with media revenues estimated by ADVERTISING AGE of \$117.6 million in 1982, an increase of 1.6% from 1981 media revenues of \$115.8 million.

Total revenues of the privately held company are estimated at \$120.0 million compared with \$118.4 million in 1981.

Nearly all revenues generated by Morris come from its daily and weekly newspapers in the

South and Southwest. Figures do not include any contribution from Jacksonville-based Florida Publishing Co., which Morris purchased at the end of the year. The *Florida Times-Union* and *Jacksonville Journal*, the leading properties in the deal, are expected to add \$80 million-plus to Morris coffers in 1983.

The acquisition, estimated between \$120 million and \$200 million, added three dailies and a weekly newspaper to the battery of Morris publications. Morris bought the group from CSX Corp., a railroad company in Richmond, Va.

Morris, with 14 dailies and six weekly newspapers, gained a circulation of 220,042 in the Florida deal: The morning *Florida Times-Union* and the evening *Jacksonville Journal* alone combined to add 206,000 subscribers to the Morris chain. The third daily in the deal was *St. Augustine Record*, a morning paper with circulation of 11,480. The weekly paper acquired was the *Crescent City Courier-Journal*, with a circulation of 2,150. Morris did not buy CSX's cable units, Area Communications, serving the Jacksonville area, and Clay Video, reaching into suburban Clay County.

Acquiring Florida Publishing was a "big step" for Morris Communications Corp., said its chairman and chief executive officer, William S. (Billy) Morris III, a second-generation newspaperman who is based in Augusta, the home of the company's *Augusta Chronicle* (60,644) and *Augusta Herald* (18,357).

The company also publishes the *Savannah (Ga.) Morning News* and the *Savannah Evening Press*, which have a combined daily circulation of 77,875; the *Athens (Ga.) Daily News* (9,800) and the evening *Athens Banner Herald* (12,600); the morning *Amarillo (Tex.) Daily News* (45,915) and the evening *Amarillo Globe-Times* (29,607), and the morning *Lubbock (Tex.) Avalanche-Journal* (60,000) and *Lubbock Evening Journal* (15,153). The *Juneau Empire*, a daily in Alaska, has circulation of 7,400.

Of its six weekly newspapers, three are in Georgia, two are in Florida and one is in South Carolina. And *Quarter Horse News*, its bimonthly publication with 5,000 subscribers, is based in Fort Worth, Tex.

The company is an "aggressive force that has always made money," said a former advertising representative. "Morris Communications stays in small or non-competitive markets and if it were losing money on a paper, it would sell."

The company has not made the move into the cable tv or video market, nor does it intend to, says Mr. Morris. "We're primarily a newspaper company and we intend to stay that way." But the company does have four job printing operations, all in cities where it has newspapers.

MEDIA PROPERTIES

Magazines

Quarter Horse News.

Newspapers (dailies)

ALASKA: *Juneau Empire*. FLORIDA: *Florida Times-Union*, *Jacksonville Journal*, *St.*

Augustine Record. GEORGIA: *Athens Banner Herald*, *Athens Daily News*, *Augusta Chronicle*, *Augusta Herald*, *Savannah Evening Press*, *Savannah Morning News*. TEXAS: *Amarillo Daily News*, *Amarillo Globe-Times*, *Lubbock Avalanche-Journal*, *Lubbock Evening Journal*.

Newspapers (nondailies)

FLORIDA: *Crescent City Courier-Journal*, *Neighbor* (Tampa). GEORGIA: *Elberton Star-Beacon*, *Hartwell Sun*, *Royston News-Leader*. SOUTH CAROLINA: *Hilton Head News*.

OTHER OPERATIONS

Hartwell Publications, Southeastern Publications, Southwestern Publications, St. Johns Publishing Co., Hartwell Publications (job printing operations).

Multimedia Inc.

Multimedia, Inc., Greenville, S.C., is the country's 42nd largest media company, with revenues of \$225.5 million in 1982, all from media operations. This is an increase of 16% from 1981 revenues of \$195.3 million.

Broadcasting accounted for \$110.5 million, or 49% of revenues, newspapers for \$82.1 million or 36% and cable tv for \$32.8 million or 15%. Revenues from broadcasting continued to garner the major share of the company's finances, but cable tv's share jumped from 10% to 15%, while newspapers' dropped from 40% to 35%.

Unaudited net earnings in 1982 increased 12% to \$28.9 million, compared with \$25.8 million in 1981.

The 1982 surge has continued through to 1983. First-quarter revenues for 1983 were up 18% to \$58.3 million, while net earnings increased 17% to \$5.7 million.

Multimedia was organized as a South Carolina corporation in 1968 and has most of its communications properties located in the Sunbelt. It publishes 13 daily and 26 nondaily newspaper publications; owns and operates five tv and 12 radio stations; produces and syndicates tv programming, and serves over 196,000 cable tv subscribers through its cablesystems ownership in four states.

In the Asheville, N.C., market, the *Asheville Citizen Times* completed the first year of its operation of News Channel 6, an experimental cable news outlet. A second cable system was also added and the service now goes into approximately 18,000 homes via leased channels.

On Feb. 28, Multimedia exchanged its NBC-affiliated tv stations in Greenville, S.C., and Winston-Salem, N.C., plus approximately \$5 million for tv station KSDK, another NBC affiliate, in St. Louis. It will also reimburse Pulitzer Publishing Co., the former owner of KSDK, for approximately \$3.3 million spent to equip a new tv studio and the office building in St. Louis.

Multimedia's radio stations continue to be ratings leaders in their local markets. WWNC in Asheville, N.C., has for the

fourth consecutive year been accorded the "No. 1 station in the nation." According to the Arbitron ratings, WWNC has a larger audience share than any other radio station in the U.S. According to the company, Multimedia's radio stations are listened to by more than 1.6 million people each week.

Multimedia's third year in the cable business showed dramatic increases in all aspects of its operations. While revenues were up 69% from \$19.4 million in 1981 to \$32.8 million in 1982, operating profit increased 74% to \$5.7 million from \$3.3 million in 1982. The company spent approximately \$19.9 million for expansion purposes, helping the subscriber base grow from 150,000 in 1981 to more than 196,000 at the end of 1982. It expects to have more than 223,000 basic subscribers by the end of 1983.

Multimedia began offering its subscribers and others home and business security in the Wichita, Kan., area through the development of Multimedia Cable Security Services. The division expects to expand such services into all of the other 90 Multimedia cable franchises in Kansas, Oklahoma, Illinois and North Carolina.

The cable division also boosted other areas of revenue, expanding the Wichita area advertising services, allowing local commercial insertions in eight channels instead of five.

In February, the company announced that it had agreed to swap three of its cable tv systems in North Carolina and \$22.5 million for four cable systems in Oklahoma owned by American Television & Communications Corp., Denver. The three systems being exchanged with ATC have a total subscriber count of 9,000. The four Oklahoma systems have 30,000 subscribers.

Multimedia, which includes revenues from program production and syndication in its broadcasting revenues, had another banner year in that area. It announced a new eight-year contract with Phil Donahue for the "Donahue" show, now distributed nationally to 217 markets.

Even though "Donahue" is one of the nation's most popular talk shows and a cash cow for the company, it may also become the source of a major financial headache.

In May, a Denver court found Phil Donahue guilty of violating "the parent-child relationship" and of "outrageous conduct" because he kept a commitment to a guest on two program segments for the "Today" show in April, 1980, instead of helping a mother recover her abducted child. As a result, the jury awarded damages of \$5.9 million—\$1.7 million in actual damages and \$4.2 million in punitive—to the mother.

However, Multimedia Program Productions has filed motions for a new trial. It argues that the case involved "highly emotional circumstances of a mother who had been separated from her son at the hands of the boy's father." The motion argues that the \$5.9 million judgement

is "grossly excessive and clearly the result of passion and prejudice on the part of the jury." The decision on the new trial has yet to be made.

The company is the largest producer of syndicated country music programming in the U.S. In fact, for the fourth consecutive year, a Multimedia country music special, "16th Annual Music City News Country Awards," was the top-rated syndicated country music special of the year.

The company is not confining itself to traditional broadcasting areas. In December, 1982, it announced that it had entered into an agreement with the Stanwood Corp., an apparel manufacturing company headquartered in Charlotte, to become equal partners in applications for cellular radio operations in Charlotte, Asheville, Knoxville, Greenville and Wichita.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KSDK, St. Louis; WLWT, Cincinnati; WZTV, Nashville, Tenn.; WBIR, Knoxville, Tenn.; WMAZ, Macon, Ga. RADIO: KAAV (am) and KLPQ (fm), Little Rock, Ark.; WMAZ (am, fm), Macon, Ga.; KEEL (am) and KMBQ (fm), Shreveport, La.; WAKY (am) and WVEZ (fm), Louisville, Ky.; WWNC (am), Asheville, N.C.; WFBC (am, fm), Greenville, S.C.; WEZW (fm), Milwaukee.

Cable/video

ILLINOIS: Alsip, Batavia, Chicago Ridge, Evergreen Park, Harvey, Homewood, Lisle, Markham, Oak Forest, Oak Lawn, Phoenix, Kane County, Four Lakes. KANSAS: Bel Aire, Crestview, East Borough, Herington, Kechi, Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Oaklawn, Park City, Sedgwick County, Shadybrook, Springfield, Timberlakes, Wichita. NORTH CAROLINA: Ayden, Battleboro, Beaufort County, Belmont, Bridgeton, Clinton, Chocowinity, Craven County, Greenville, Indian Trail, Kinston, La Grange, Lenoir County, Marshallville, Monroe, Mount Holly, Nash County, Nashville, New Bern, Pitt County, River Bend, Rocky Mount, Sampson County, Sharpsburg, Stallings, Tarboro, Trent Woods, Union County, Walnut Creek, Washington, Washington Park, Waxsaw, Winterville, Wingate. OKLAHOMA: Bethany, Bixby, Chickasha, Crescent, Del City, Edmond, El Reno, Erin Springs, Guthrie, Lindsay, Moore, Mustang, Nichols Hill, Perry, Tinker Air Force Base, Valley Brook, The Village, Warr Acres, Yukon, Logan County.

Newspapers (dailies)

ALABAMA: *Advertiser*, *Alabama Journal*, both in Montgomery. FLORIDA: *Winter Haven News Chief*. GEORGIA: *Moultrie Observer*. NORTH CAROLINA: *Asheville Citizen*, *Asheville Times*. OHIO: *Gallipolis Daily Tribune*, *Pomeroy Daily Sentinel*. SOUTH CAROLINA: *Greenville News*, *Greenville Piedmont*. TENNESSEE: *Clarksville Leaf-Chronicle*. VIRGINIA: *Staunton Leader*. WEST VIRGINIA: *Point Pleas-*

ant Register.

Newspapers (nondailies)
 ALABAMA: *Prattville Progress*. ARKANSAS: *Baxter Bulletin*. FLORIDA: *Auburndale Star*. GEORGIA: *Weekly Moultrie Observer*. TENNESSEE: *Ashland City Times*, *Dickson Herald*, *Nashville Record*, *Gallatin News-Examiner*. *Stewart Houston Times* (Dover-Erin).

OTHER OPERATIONS

Program productions: "Donahue," "Young People's Specials," "Braun & Company," "Country Comes Alive," "POP! Goes the Country Club," "Ralph Emery Show," "Nashville on the Road," "Austin City Limits Encore."

National Enquirer

National Enquirer, Lantana, Fla., is the 63rd largest U.S. media company, with 1982 gross revenues of \$140.0 million, all from two publications—the *National Enquirer* and *Weekly World News*. The gross revenues were up 54% from a restated \$90.9 million in 1981.

During the latter half of 1982, *Weekly World News*, which was started in October, 1979, began to get off the ground in a big way, said Iain Calder, the company's editor-president. When the *Enquirer* printing operations were moved from the Florida office to give it color printing capability, the company was left with a printing facility capable of producing 6 million tabloid newspapers a week.

Weekly World, a compilation of news, features and tidbits from around the U.S. and the world, experienced a 20% circulation increase during 1982 and now has a circulation of 800,000, with some weeks exceeding 900,000. The Florida presses crank out the weekly, which carries light features, bizarre local tales that don't make the national presses or wire services and entertainment-oriented features and stories from foreign publications. In late 1982, the publication passed the break-even point and went into the black.

Most of the advertising for *Weekly World*, like that of the *National Enquirer*, is from mail order companies. Because of its reputation in the advertising community, the company continues to have some trouble attracting major product advertisers. The company, however, has launched a major effort to woo the advertising community, said Ralph Gallagher, advertising director.

At present, most of the revenues for the *Enquirer* and *Weekly World* come from circulation sales. Both continue to be heavily newsstand-oriented, with the *Enquirer* holding the No. 2 position behind *TV Guide* in generating profits for dealers—more than \$2.8 million in dealer profits during 1982—said Mr. Calder.

To continue boosting circulation in the battle of the gossip tabloids, the *Enquirer* sunk \$30 million into a tv advertising campaign designed by Compton Advertising. Circulation for the

The seedier side of the powers that were

By Ed Zotti

The folks who run media conglomerates these days are sometimes accused of being faceless bureaucrats, but it wasn't always thus. The men who founded some of America's leading publications were a hard-drinking, hard-cussing bunch, including a share of borderline lunatics.

See if you can guess who was who from the thumbnail descriptions below.

1. While serving in Missouri state senate he shot a dishonest contractor in the leg when the man insulted him. He once considered a scheme to erect an advertising sign in New Jersey so huge that it could be read from Mars. A workaholic, he was notoriously foul-mouthed, mercurial and cheap. He mercilessly nagged his editors, two of whom ended up in an insane asylum. Two of his papers' favorite subjects were cannibalism and human sacrifice. Toward the end of his career he went blind, suffered a nervous breakdown and developed an aversion to noise, yet he continued to direct his newspapers. His genuine innovation in journalism was Sunday color comics.

2. One of the most vilified men in the history of journalism, he was described as the "greatest menace to the freedom of the press that exists in the country." Although he preached moralism, he lived openly with a prostitute and later with an actress. The circulation department of the newspaper he owned in Chicago was filled with hoodlums; in the midst of a literal circulation "war" some 30 newsdealers were said to have been murdered. He helped get the country into one war and tried to keep it out of another. He once threw the critic Dorothy Parker out of his house for drinking too much, whereupon she penned the following unforgettable lines in the guest book:

Ed Zotti is a free lance writer in Chicago.

*Upon my honor,
 I saw a Madonna
 Standing in a niche,
 Above the door
 Of the famous whore
 Of a prominent son of a bitch.*

3. An extreme right-winger, he was once described as having the finest mind of the thirteenth century. As a small child he had been called Roberta and dressed in girl's clothes by his mother,



who was grieving over the death of her infant daughter. His father and grandfather both died in insane asylums. He had numerous obsessions, one of which was the reformation of American spelling; his paper was filled with words like *thoro*, *clew*, *burocracy* and *philosofy*. In his later years he pursued an editorial policy so reactionary that he became a national laughing-stock. Nonetheless his paper for many years was the largest of its kind in the country, and he staunchly advocated freedom of the press at times when it was unpopular to do so.

4. He once suggested eugenically ill-adapted females be sterilized and employed as pros-

titutes for the use of men between puberty and marriage. In his youth a radical, like many of his peers he became a reactionary toward the end of his life. A shabby dresser and a heavy drinker, he founded 32 newspapers and held shares in 15 others; he also founded the United Press wire service. In 1925 H.L. Mencken described him as "probably the most suc-

cessful newspaper owner America has ever known."

5. The newspaper he built went on to become the flagship in what was for a long time the largest newspaper-based conglomerate. He armed his staff with rifles and shotguns and conducted them in military drills. Virulently anti-union, he organized strike-breaking efforts among his fellow publishers; in retaliation two union men dynamited his headquarters, killing 20 of his employees. His son-in-law, to whom he bequeathed his newspaper, engineered the diversion of a river that guaranteed the prosperity of his home city while reducing other parts of the state to desert.

6. A member of a newspaper dynasty that at one point controlled the greatest circulation of any chain in America, he and his relatives in publishing pursued an editorial line so violently anti-Administration that they were accused of being pro-Nazi during World War II. Their editorials were described as ranging "from the incendiary to the psychopathic." Ironically, his daughter founded the staunchly liberal Long Island paper *Newsday*. But while his paper was sensational, it was generally factual as well, and as a consequence it grew to have the largest circulation of any newspaper in America.

7. His gait was so awkward he was said to look like he was walking down both sides of the street at once. His handwriting was indecipherable and he dressed like a bumpkin, but in his day he was one of the best known men in the country. He once refused a request to help save a sinner's soul on the grounds that hell was not half full enough of sinners as it was. Described as both a crank and a visionary, he ran unsuccessfully for president in 1872; the defeat so crushed him that he died shortly after the election.

8. One of the great regrets of his life was that he was never asked to serve on the board that ran Yale. The son of missionaries to China, he maintained a proprietary interest in that country throughout his career and was one of those who howled the loudest when the country fell to the Communists in 1949. His publication pioneered a style of English usage that Westbrook Pegler described as "a nervous disease of the typewriter." He was so totally lacking in mechanical aptitude that he could not learn to drive and had a hard time operating a dial telephone.

(Answers on Page M-64)

This quiz is based on material from "The Life & Death of the Press Barons," by Piers Brendon, published by Atheneum, 1983. Copyright © 1982 by Piers Brendon.

Enquirer increased during 1982, said Mr. Calder, and the policy of heavy national tv spots is continuing in 1983. *Weekly World News*, which carries a lower price of 45 cents an issue, compared to the *Enquirer's* 65 cents, isn't getting the same kind of promotional push from the company. But the company is talking with Compton about a possible campaign for *Weekly World*, said Mr. Calder.

Editorially, the *Enquirer* remained essentially the same as in previous years, although it continued its growing emphasis on service articles on health issues. It won the Arthritis Foundation's media service award for 1982 because of its exposition of the problems of arthritis sufferers and potential cures and treatments. The *Enquirer* is now doing something similar with the American Heart

Assn. and the American Cancer Society. These organizations monitor and check the *Enquirer's* copy before it goes out.

"Some journalists have criticized us for seeking the final advice of these experts," said Mr. Calder, "but we'd rather make sure we get all the information right, and they're the people who should know best if there are any mistakes." The tenor of the *Enquirer's* headline stories wasn't altered by actress Carol Burnett's \$1.6 million suit for libel. Her award, made in 1981, was cut in half by a court and the *Enquirer*, said Mr. Calder, has high hopes of overturning the decision completely in 1983.

Scoops on Liberace's love life, Princess Grace's death and a murder attempt on Johnny Cash, plus early revelations of the final "M*A*S*H" script were the publication's big cir-

lation boosters in 1982, Mr. Calder noted.

The only major staff change during 1982 was the addition of James B. Martise as senior vp-publisher. He was advertising director at *Parade* and was formerly with *Redbook* and *New York* magazine.

MEDIA PROPERTIES
Newspapers (nondailies)
National Enquirer, *Weekly World News*.

National Geographic Society

National Geographic Society, Washington, is the country's 51st largest media company. Media revenues from advertising and circulation in 1982 were \$181.1 million, or 65% of total net revenues of \$280.4 million.

Media revenues for 1981 were \$170.7 million, or 62% of total revenues of \$272.7 million. Media revenue growth slowed to 6.1% last year, from 19% in 1981 as the recession hit the monthly *National Geographic* hard. (Total revenues in 1981 have been restated.)

The *Geographic*, with more than 10 million circulation worldwide, ranks among the most popular magazines ever published. For years the Society's only publication, it was joined in 1975 by a children's magazine, "National Geographic World," which had circulation of 1.5 million last year. "World" does not carry advertising at this time.

The Society's editors are developing a new travel-oriented magazine for possible introduction next spring as a quarterly. With a working title of "Na-

tional Geographic Traveller," Society president Gilbert M. Grosvenor believes the new magazine's mix of where-to-go/what-to-do articles will appeal to the *Geographic's* existing readers, and that one million to two million subscriptions can be sold. Ads may be sold for "Traveller," but that question was still under examination this spring.

In addition to building on the *Geographic's* print franchise, Mr. Grosvenor is actively bidding to capitalize on the popular success of tv's "National Geographic Specials." Under his direction, the Society is trying to build a "network" of nonprofit groups, here and in Europe, that could contribute programming to a new "educational" tv service.

Though details are sketchy, and Mr. Grosvenor sees the cable tv industry in "tremendous upheaval," the Society's tv department has been adding to its staff this year, and New York ad agency Ally & Gargano was brought on specifically to work on the project. A role for advertising in the new service is possible, he said, but commercials would almost certainly be clustered at the beginning and the end of programs.

He also said he has been actively discussing the viewer appeal of such a service with Communications Satellite Corp., which plans to beam pay tv programming directly to subscriber homes from space satellites beginning in 1986.

Circulation and advertising revenue traditionally never cover the full costs of the *Geographic* and the Society's other media ventures. Helping to make up the difference are revenues from the Society's extensive involvement in book and map publishing, globe marketing, and production of films and film strips for use in the schools. Over the years, it has built enough financial strength that it owns choice real estate in downtown Washington and is financing a new \$30 million headquarters complex there from its cash reserves.

Because of its nonprofit status, and its other successful business enterprises, the Society has over its history not aggressively exploited the advertising potential of its ventures. That, Mr. Grosvenor, at 52 and completing his third year as Society president, is intent on changing.

The *Geographic* suffered its worst advertising year in recent memory in 1982: Ad volume staggered to 259 pages from 388 the year before; the ad sales contribution to the Society's budget fell to \$22.4 million from \$29.1 million. "We've recovered somewhat in the first half, but not spectacularly," Mr. Grosvenor said of 1983.

The recession sparked a belt-tightening wave at the Society "in areas not affecting editorial quality," Mr. Grosvenor said, and the \$10 million needed to subsidize the magazines in 1981 shrank to \$1 million in 1982.

Among the hints of a changing attitude toward ads at *Geographic*: Its traditional ban on proprietary drug ads was scrapped last year in favor of accepting "tasteful" advertising in this category. Though tobacco products

and alcoholic beverages are still off limits in the U.S. edition of *Geographic*, the Society has begun accepting beer and wine advertising in its European edition. "Beer and wine are part of the way of life in Europe," said Mr. Grosvenor.

Seeking to sharpen its competitive stance vs. the news and sports weeklies, and bring its ad costs (more than \$100,000 for a full-run page), the *Geographic* this year created a "Big G" breakout edition reaching roughly half of its 8.4 million U.S. subscriber base located in 36 major markets.

Equally significant, perhaps, Mr. Grosvenor, the fifth in his family to serve as Society president, has taken to the road with his top ad salespeople, meeting with advertisers and agencies to tell them the *Geographic* does want advertising, and that *Geographic* readers, according to what may be a first-ever study, find advertising an attractive and useful part of the magazine.

"I'm determined to get the word out," Mr. Grosvenor said, "that advertising adds a dimension to our magazine that's wanted."

For the moment, Mr. Grosvenor indicated, circulation of the *Geographic* may have peaked. There was a decline of about 250,000 to 10,613,599 last year, and expectations are for another slide, to about 10,500,000 this year. But executives like to point out that in 1960, the *Geographic* was barely more than two million.

Whatever its current challenges, the *Geographic* remains one of the most successful magazines in modern publishing. At the turn of the century, the Society began developing a mass market for general interest magazines on science and geography. Alexander Graham Bell not only invented the telephone, but, as president of the Society, he also put together a magazine marketing strategy that clicked: Coupling subscription to the magazine with Society "membership," giving customers a sense of participation in the stories being covered.

Answers to quiz

1. Joseph Pulitzer, publisher of the *New York World* and the *St. Louis Post-Dispatch*.
2. William Randolph Hearst.
3. Robert McCormick, publisher of the *Chicago Tribune*.
4. E.W. Scripps, founder of the Scripps-Howard newspaper chain.
5. Harrison Gray Otis, publisher of the *Los Angeles Times*. (His son-in-law was Harry Chandler.)
6. Joseph Medill Patterson, publisher of the *New York Daily News*. (His cousin was Robert McCormick and his sister was Cissy Patterson, publisher of the *Washington Times-Herald*.)
7. Horace Greeley, publisher of the *New York Tribune*.
8. Henry R. Luce, publisher of *Time*. (Facts drawn from "Luce and His Empire," by W.A. Swanberg.) —E.Z.

MEDIA PROPERTIES Magazines

National Geographic, "National Geographic World."

New York Times Co.

New York Times Co., New York, the country's 11th largest media company, had revenues from media operations—news, papers, magazines and broadcast and cable tv stations—of \$890.6 million in 1982, up 11.5% from the year before. Media accounted for 95% of the company's total 1982 revenues of \$933.7 million. In 1981, media revenues were \$796.6 million, or 95% of total revenues of \$841.7 million.

Remaining contributions came from the company's books, information and education divisions, as well as interest income.

Net income for the company was up 8.6% to \$54.3 million from \$50 million, while the total revenues of \$933.7 million represented a 10.9% increase over \$841.7 million in 1981.

For the New York Times Co., 1982 was a year of almost unparalleled growth for all of its divisions. The company added nine daily and three weekly newspapers to its group of regional papers, bringing the total number to 30. The *New York Times*, the company's flagship publication, increased its advertising lineage more than 2% to a record 100.5 million lines, while its circulation grew to 929,000 daily copies, approximately 16,500 copies over 1981's average. Sunday circulation was up 38,000 copies to 1.52 million. The national edition of the *Times*, now selling about 100,000 copies daily and 200,000 Sunday, was further bolstered by the addition of a printing plant in Torrance, Cal. NYT Cable TV, the company's cable system in southern New Jersey, now has some 100,000 subscribers. Reflecting this growth, the dividend on the company's Class A and Class B common stock was raised for the sixth consecutive year, to \$1.22 per share.

The *New York Times*, despite being the third-largest paper in its home city, continues to dominate its rivals, the *New York Post* and *New York Daily News*, in advertising, grabbing about a 60% market share and what company executives describe as a 10% profit margin. The *New York Times Magazine*, which had a 9% decline in ad pages in 1982—primarily because of a fall-off in retail advertising—still managed to rack up a total of 4,114 pages, second among all magazines published in the U.S.

Among the features the paper added in 1982 to attract more advertising were a personal investing special section and "The Sophisticated Traveler," a new Part II of the magazine that carried more than 100 pages of advertising. The editorial achievements of the paper continue to be recognized as well, with the paper picking up two Pulitzer Prizes in 1982 and three others being awarded to *Times* staffers this year.

The expansion of the regional group of newspapers was a cru-

cial part of the company's operations in 1982. The biggest acquisition was the purchase of the *Sarasota (Fla.) Herald-Tribune*, a 100,000-circulation paper, making it the company's second largest. The other newly acquired papers, ranging from the *Florence (Ala.) Times Tri-Cities Daily* to the weekly *Kennebunk (Me.) York County Coast Star*, have a total circulation of 92,000. The 18 papers that had been part of the regional group for all of 1982 registered a decline of 0.5% in ad lineage, but average daily circulation grew 6% to a total of 272,000 copies.

The magazine group earned \$23.6 million in 1982, more than double the \$13.1 million recorded in 1981, although those earnings were aided by a tax-free gain of \$8.4 million from the 1981 sale of company's Australian magazine properties. *Family Circle*, the largest of the company's magazines, celebrated its 50th anniversary by carrying 1,691 ad pages in 1982, up from 1,661. *Family Circle* was the only one of the seven "women's books" to show ad pages gains in both 1981 and 1982. *Golf Digest* and *Tennis* both maintained the No. 1 position in their fields.

Three broadcast stations, two radio stations and one of the nation's largest cable tv systems make up the company's broadcast/cable group, which had an operating profit of \$2.7 million last year, a 20% decline largely attributable to the increased cost of the growing cable system. Since its acquisition in March, 1981, NYT Cable has grown 37% to nearly 100,00 subscribers in the three-county Philadelphia/South New Jersey area. Its ratio of pay-to-basic subscribers is 107%, one of the highest in the industry. Among the company's other operations, an exclusive license to distribute databases produced by the *Times Co.* has been granted to Mead Data Central. These include the computerized information-retrieval systems previously marketed by the *New York Times Information Service*. The company has decided to redirect its efforts in this area to electronic journalism and publishing, primarily teletext and videotex.

MEDIA PROPERTIES Broadcasting

TELEVISION: WHNT, Huntsville, Ala.; KFSM, Fort Smith, Ark.; WREG, Memphis, Tenn.

RADIO: WQXR (am, fm), New York.

Cable/video

NYT Cable TV, Southern New Jersey.

Magazines

Family Circle, *Golf Digest*, *Golf World* (United Kingdom), *Tennis*.

Newspapers (dailies)

ALABAMA: *Florence Times Tri-Cities Daily*. FLORIDA: *Gainesville Sun*, *Lake City Reporter*, *Lakeland Ledger*, *Leesburg Commercial*, *Ocala Star-Banner*, *Palatka Daily News*, *Sarasota Herald-Tribune*. KENTUCKY: *Harlan Daily Enterprise*, *Madisonville Messenger*, *Middlesboro Daily News*. LOUISIANA: *Houma Daily Courier*, *Opelousas Daily World*, *Thibodaux Daily Comet*. MAINE: *Kennebunk York*

County Coast Star. MISSISSIPPI: *Corinth Daily Corinthian*. NEW YORK: *New York Times*. NORTH CAROLINA: *Hendersonville Times-News*, *Lenoir News-Topic*, *Lexington Dispatch*, *Wilmington Star-News*. TENNESSEE: *Claiborne Progress*, *Dyersburg Star-Gazette*.

Newspapers (nondailies)

FLORIDA: *Anna Maria Islander*, *Avon Park Sun*, *Fernandina Beach News-Leader*, *Golden Gate Eagle*, *Marco Island Eagle*, *Sebring News*, *Zephyrhills News*. MAINE: *Kennebunk York County Coast Star*. MISSISSIPPI: *Booneville Banner-Independent*.

OTHER OPERATIONS

Books, information and education (a news service, features service syndicate and the publication of books and education materials). Also, equity interests in Madison Paper Industries, three Canadian newsprint companies and the *International Herald Tribune*.

S.I. Newhouse & Sons

Advance Publications Co., the corporate umbrella for the company otherwise known as S.I. Newhouse & Sons, New York, is the country's seventh largest media company, with media revenues of \$1.35 billion in 1982, or 88% of the estimated \$1.52 billion it recorded in total revenues.

The media revenues, which cover a string of daily newspapers, *Conde Nast* magazines and cable operations, were up 8.0% over an estimated \$1.25 billion in 1981, or 89% of total revenues that year. The total revenues in 1982, which include *Random House* books, represented an 8.6% increase over an estimated \$1.40 billion in 1981.

Newhouse, the largest privately owned media company in the country, received Federal Communications Commission approval last year for the sale of all its existing radio stations. It sold WAPI (am, fm), Birmingham, Ala., to Bernard Dittman, owner of WABB, Mobile, Ala.; WYSR (am, fm), Syracuse, N.Y., to Katz Communications, and WTPA (fm), Harrisburg, Pa., to Foster Management. Having sold off its tv properties the year before, Newhouse has now reinforced the opinion held by those outside the company that it intends to concentrate on building its empire on publishing and cable/video operations.

Newhouse's cable operations, with more than 700,000 subscribers, is believed to rank eighth among the top 50 multiple system operators owned by newspapers. Its increased involvement with cable and concomitant withdrawal from radio and tv ownership parallels that of the rest of the newspaper publishing business. According to industry figures, newspaper ownership of all tv stations dropped from 42% in 1950 to 30% in 1979. At the same time ownership of am radio stations shows a corresponding drop from 23% to 7%, and ownership of fm stations fell from 37% to

8% during that time.

Still, newspapers have begun to express some disenchantment with cable over costs and profitability. And many companies say they are becoming more cautious about expansion plans for the moment. However, over-all newspaper ownership of cable systems continues to increase.

Among Newhouse's newspaper properties—its 28 newspapers are believed to contribute the majority of sales and profits to the company—one folded last year. In September, the afternoon *Oregon Journal*, Portland, ceased publication, and the company combined the paper's staff with that of the morning *Oregonian*. The *Oregonian* has a daily circulation of 237,141 and Sunday circulation of 409,641, the largest in the Pacific Northwest. The *Journal* had a circulation of about 100,000.

In magazines, the most publicized development at Newhouse last year and into this has been the rebirth of *Vanity Fair*. Though too new to be evaluated on a financial basis—the first issue had a March, 1983, cover date—the magazine did make news editorially. In April, after developing four issues, Richard Locke was replaced as editor by Leo Lerman of *Vogue*. And beginning with the May and this month's issue, the magazine made changes in graphics, apparently in response to criticism. Startup costs for the magazine were estimated at \$10 million; projections called for 600 ad pages for the first year.

Other Conde Nast magazines, meanwhile, were not entirely immune to the side effects of the tough 1982 economy. *House & Garden* ad revenues dropped by 14.8% to \$22.8 million for the year, according to the Publishers Information Bureau. Ad pages, according to PIB/Leading National Advertisers totals, decreased by 23.3% to 965.46 from 1,258.37 in 1981.

The repositioning of *H&G*—to a publication with a decidedly affluent tone and appeal—is well under way, and Conde Nast executives have expressed satisfaction with its progress.

Among other Conde Nast magazines, *Glamour* dipped in ad pages from 2,081.45 in 1981 to 1,885.31 in 1982, but revenues increased 3.4% to \$46.9 million from \$45.3 million. *Brat Mademoiselle* and *Vogue* managed only small page gains but did record double-digit increases in revenues. *Mademoiselle* ad pages increased to 1,525.53 in 1982 from 1,524.15 in 1981, while *Vogue* pages increased to 2,794.27 from 2,716.03. Revenues for *Mademoiselle* gained 15.5% to \$23.8 million from \$20.6 million, while *Vogue* revenues rose by 11.9% to \$45.1 million from \$40.3 million.

Ad pages in *Bride's* also increased in 1982, up 5% to 1,666.64 from 1,586.77 in 1981; ad revenues increased 17.1% to \$16.4 million from \$14.0 million.

GQ managed a 22.9% increase in revenues, up from \$10.5 million in 1981 to \$12.9 million in 1982, but had a page gain of only 0.3%, to 1,340.55. Revenues from *Self* increased 26% to \$13.6 million, while ad pages increased 4.1% to 833.28.

Hitch your wagon to a Telstar

By Mark Liff

When Mutual Broadcasting System hooked up its fortunes to a satellite in 1978, the reaction was less than earth-shattering.

"People thought we were out of our minds," says Daniel Flamborg, a Mutual spokesman. "In a sense that is the price you pay. Realistically... it was a wild dream, a crazy gimmick. You said satellite dishes to people and they said, 'Ha, ha, ha.'"

Not too many of them are laughing anymore. Perhaps more than any single development, the satellite and its accompanying dishes have become the most influential force of recent times in shaping the course of network radio developments. The major national media companies with radio properties are indeed looking to the heavens for an answer to their problems.

Satellites, when in the right working condition, hover at 22,300 miles over the Equator in either "geosynchronous" or "geostationary" orbit. They appear to be standing still, directly overhead, while in reality they are moving at the same speed as the earth's rotation.

What makes these instruments of technology so valuable is their ability to replace cumbersome mailings of taped programs or telephone hookups, provide live broadcasts of a variety of programs and offer a fidelity heretofore unheard in the world of traditional landline transmission.

In cost-conscious times, satellites also proffer hallowed balance sheet savings in labor and machinery. Fm stations, in particular, have benefited from the advantages satellite transmissions offer.

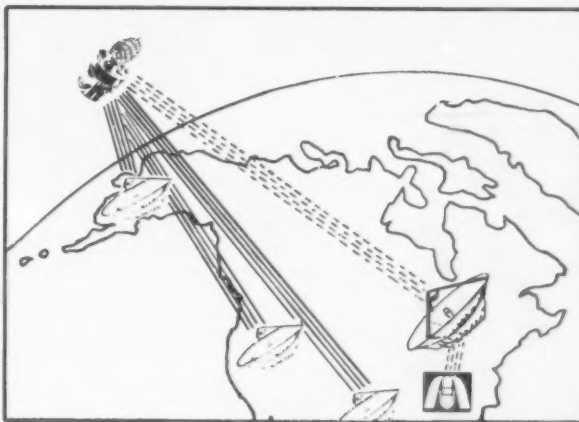
Mark Liff is a writer in New York.

There is no doubt that the demand for communications satellite access is growing. The National Aeronautics and Space Administration recently estimated that the demand for satellite circuits would increase 10 times by the year 2000.

ABC, CBS, NBC and RKO General, for instance, are moving to take space on the Satcom-I satellite, where signal quality is

dia," a national network connected by satellite. Only six affiliates reportedly had agreed to join the venture.

But ABC did kick off Talk Radio by satellite, using Western Union Telegraph Co.'s Westar-III. The program operates 18 hours a day, Monday through Friday. "It's doing nicely," says Michael Hauptman, an ABC Radio vp.



as good as though you are listening to a concert right in your living room.

These networks represent nearly 3,000 radio stations across the country.

American Broadcasting Cos., for one, is moving its Talk Radio station affiliates to the satellite; plans call for its other affiliate stations, now connected by telephone lines, to move to the satellite.

"We are giving a smorgasbord of programming," says William Battison, ABC vp-planning, finance and satellite development.

ABC's satellite efforts have not come without a hitch, however. About a year ago, the company announced an "indefinite" delay of plans to start "Supra-

Additionally, Mr. Hauptman's associate, Mr. Battison, says ABC plans 19 audio channels and one data channel on Satcom-I. The data channel would interface with a line printer so that hard copy would spit out last-minute information on schedules or commercial changes, promotions or other details.

Through satellite communications, Mr. Battison says, "the degradation of signal is negligible to nil." And stations "can simultaneously receive as many channels" as they buy digital decoding cards for.

The signal would be broken into digital impulses and then decoded at the station. Stations would be able to tap into special broadcasts, breaking news

events, musical highlights and other options.

ABC, which began its satellite effort in January, now has more than 100 stations on the system. Another 100 stations are installing \$10,500 dishes to get ready to join the satellite era, Mr. Battison says.

Mutual Broadcasting, a division of Amway Inc. based in Arlington, Va., began full-scale satellite communications with its more than 900 stations in 1981 after three years of planning with the Western Union. "We designed our satellite system at the time they designed Westar," says Mr. Flamborg. "The two are compatible."

"As a network, we believe it is our responsibility to get the signal to each and every station around the line—and the infrastructure of Ma Bell to take it the last mile was no good. A lot of our stations were getting such a poor quality signal that it discouraged them from staying with the network."

Mr. Flamborg adds, "It was costing us a fortune." He says Mutual spent \$500,000 a month for "landline" telephone connections. "And getting the signal to the boondocks was incredibly hard," he adds.

Mutual is also projecting that the technology will help its nonradio operations as well. By 1990, the company says, half its revenues will come from non-broadcast sources.

Data transmission and specialized networks—including broadcasts for doctors, labor unions or political parties, for example—are logical areas for exploration, the company says.

The examples of ABC and Mutual are hints of the impact satellites are having on the thinking of radio executives. The opportunities, these executives might say, are virtually limitless.

For 1982, the company has altered its group buy discounts. The original Conde Nast package has been renamed the Conde Nast Package of Women and now includes *Bride's*, *Glamour*, *Mademoiselle*, *Self* and *Vogue*. This package has a circulation of 5.9 million and offers discounts from 6% to 16%, earned on six to 12 or more pages, to advertisers buying equal numbers of pages in four or five magazines a year.

The company has also added a second package, called the Conde Nast Ltd. This package includes *Vanity Fair*, *GQ*, *House & Garden* and *Vogue*. It offers discounts of 6% to 16% to advertisers who buy equal numbers of pages in three or four magazines over a year.

Also in 1983, Conde Nast plans to expand *GQ* editorial to give the book less fashion emphasis and more life style focus.

MEDIA PROPERTIES Cable/video

MetroVision Inc., serving LOUISIANA: St. John the Baptist

Parish. NEBRASKA: Auburn, Crete, David City, Fairbury, Fremont, Humboldt, Lincoln, Nebraska City, Pawnee City, Seward, Superior, Table Rock, Tecumseh. YORK: Green Township. ILLINOIS: Blue Island, Berwyn, Crestwood, Hickory Hills (90% interest), Melrose Park, Midlothian, Northlake, Palos Hills, Posen, Stickney, Tinley Park, Westhaven. INDIANA: Portage. KENTUCKY: Newport. TEXAS: Belton, Belmead, Beverly Hills, Greenville, Killeen, Lacey-Lakeview, Robinson, North Woodway, Temple, Waco. WISCONSIN: Lannon (90% interest), Menomonee Falls. WYOMING: Sheridan. Also, NewChannels Corp., serving ALABAMA: Aniston, Eufala, Greenville, Wetumpka. NEW YORK: Binghamton, Carthage, Cooperstown, Corning, Delhi, Fulton, Malone, Massena, Ogdensburg, Oneonta, Potsdam, Rome, Sidney, Syracuse, Troy. PENNSYLVANIA: Canonsburg, Coraopolis, Crescent Township, Moon Township, Neville Town-

ship. Also, Vision Cable Communications, serving FLORIDA: Clearwater (90% interest), Kenneth City, Pinellas Park. LOUISIANA: Alexandria, Houma. NEW JERSEY: Fort Lee. NORTH CAROLINA: Albemarle, Concord, Jacksonville, Morehead City, Salisbury, Shelby, Southport, Wilmington. PENNSYLVANIA: DuBois. SOUTH CAROLINA: Darlington, Florence, Sumter. Also, Eastern Microwave, a common carrier serving the Northeast with cable tv voice and data, as well as bringing superstation WOR to all 50 states.

Magazines

Conde Nast Publications: *Bride's*, *Glamour*, *GQ*, *House & Garden*, *Mademoiselle*, *Self*, *Vanity Fair*, *Vogue*. Conde Nast Publications Ltd.—England. Les Editions Conde Nast SA—France. Edizioni Conde Nast SPA—Italy. *Parade*, the Sunday supplement.

Newspapers (dailies)

ALABAMA: *Birmingham News*, *Huntsville Times*, *Huntsville News*, *Mobile Press*, *Mobile*

Register. LOUISIANA: *New Orleans Times-Picayune/States-Item*. MASSACHUSETTS: *Springfield Republican*, *Springfield Union News*. MICHIGAN: *Booth Newspapers*—*Ann Arbor News*, *Bay City Times*, *Flint Journal*, *Grand Rapids Press*, *Jackson Citizen Patriot*, *Kalamazoo Gazette*, *Muskegon Chronicle*, *Saginaw News*. MISSISSIPPI: *Pascagoula Mississippi Press*, *Pascagoula Chronicle*. MISSOURI: *St. Louis Globe-Democrat*. NEW JERSEY: *Jersey Journal* (Jersey City), *Newark Star-Ledger*. NEW YORK: *Staten Island Advance*, *Syracuse Herald-Journal*, *Syracuse Post-Standard*. OHIO: *Cleveland Plain Dealer*. OREGON: *Portland Oregonian*. PENNSYLVANIA: *Harrisburg Patriot-News*.

News America Publishing

News America Publishing, New York, the U.S. branch of

Format switch heats circulation struggle

By Marian Pfrommer

On Thursday, March 10, the loading dock of the *San Antonio Express-News* came alive with celebration. Bands, beer and two rounds of food fueled the festivities, as employees of Rupert Murdoch's oldest American newspaper holding hailed a record—the Sunday before, *Express-News* circulation had topped 200,000.

The historic event came just three weeks after the staid Sunday paper had undergone a radical format shift that jolted some conservative staffers and the *Express-News*' competitor, the *San Antonio Light*.

Directing this shift was Bert Wise, a 30-year veteran of San Antonio newspapering, who took over as executive editor of News America's morning *Express* and the Sunday *Express-News* in mid-February. Formerly managing editor of the flamboyant afternoon *News*, Mr. Wise immediately jazzed up the conservative *Express* and the Sunday paper—and boosted Sunday circulation by 7,000 in three weeks.

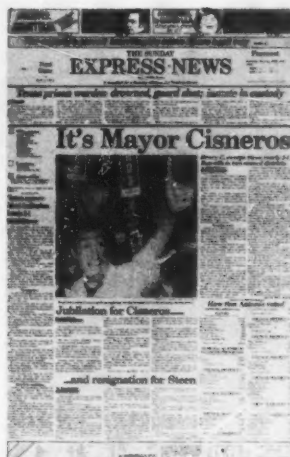
Under his regime, *News* formulas are now in place at both the *Express* and the Sunday *Express-News*. Stories run shorter, color splashes across the front page, headlines crackle with catchy words. And, reflecting Mr. Wise's belief that readers want community news, local stories get heavy play.

For now, at least, the new format seems to be working. While audited circulation figures are not yet available, Mr. Wise claims the *Express* now has an average daily circulation of more than 92,000, up 3,000 since he took charge. And the Sunday

Marian Pfrommer is a writer in San Antonio.



Before and after: Stories in the redesigned San Antonio Express-News run shorter and carry Murdochian headlines, with more emphasis on local news.



paper, he says, has jumped from 195,000 to above 202,000 during his short tenure.

While others in the city seem dazed by the sudden circulation spurt, Mr. Wise himself is not surprised.

"I've been watching the *Express* and the Sunday paper for the last five or six years," he says. "I knew they were on the wrong course, but no one asked me. I knew I could push the Sunday paper over 200,000 and push the *Express* on toward 100,000."

The course that Mr. Wise considered wrong was in part charted by another key Murdoch staffer, Jim Dolan, who served as managing editor of the Sunday *Express-News*, then took over as executive editor of the entire operation in January of 1982. While he was in charge, Mr. Dolan ran both papers in a conservative mode, avoiding a

vivid use of color, favoring in-depth feature coverage on Sunday and giving prominent play to national and international news in the morning daily.

Under his leadership circulation did rise, but not as drastically as it has since Mr. Wise took command. (Mr. Dolan left the *Express-News* early this year to supervise Rupert Murdoch's latest media foray, into cable tv.)

Just what will happen in the months ahead is a subject of speculation in this highly competitive market, one of the few in the nation where three daily newspapers still compete.

Even now the circulation battle between the Sunday *Express-News* and the *Light* is sparking dispute. The Audit Bureau of Circulations is conducting a special investigation to verify recent circulation figures for all San Antonio papers. This

special audit was requested by *Express-News* publisher Charles O. Kilpatrick after the *Light* began claiming a Sunday circulation more than 200,000 this spring.

While Mr. Wise believes the audit will refute this claim, Wade Harrington, director of marketing and research at the *Light*, contends the audit is simply "a delaying tactic."

"They're afraid we're ahead and they want to stop the game for a few minutes," he says.

Whatever the case may be, it's sure that the circulation war in San Antonio will continue to heat up. And, while Mr. Wise believes the circulation gains at the *Express-News* will continue, his competitors at the *Light* contend the recent changes will bring only short-term success.

Ironically, it is the Hearst Corp.-owned *Light* that now maintains the most conservative image in San Antonio. And the paper's leadership is confident that image will ensure victory in the long run.

As Mr. Harrington says, "We feel we're moving in the right direction. We want to look like a responsible big-city daily. We'll let them do their thing and we'll do ours."

For his part, Mr. Wise believes his strategy is the way to win. And he says he's simply following the precedent set by some successful newspapermen of the past. Discussing his tactics, he harkens back to the lessons he has learned from studying such men as Joseph Pulitzer and James Gordon Bennett.

"I'm not doing anything new," he says. "And Rupert Murdoch hasn't done anything new. Many of the people who founded great newspaper empires did the same things. And all I'm doing is following the history books." ■

Rupert Murdoch's international News Corporation Ltd., is the country's 31st largest media company, with estimated U.S. revenues of \$270.0 million, all in media, for the fiscal 1982, which ended last June 30. In fiscal 1981, U.S. revenues totaled an estimated \$210.0 million.

For Mr. Murdoch and News America, the biggest event of the year was the purchase in December of the beleaguered *Boston Herald American* from Hearst Corp. for \$1 million, plus a percentage of future profits.

The ownership change was itself a media event that continued for weeks, filled with tense, sometimes angry, around-the-clock negotiations and battles with union leadership over jobs. Eventually the unions and Mr. Murdoch completed a deal that included a reduction of almost one-third of the paper's staff of 800 and a paring of \$4.5 million from annual operating costs. In return, Mr. Murdoch agreed to invest \$16 million in the paper in an attempt to revitalize it.

The flamboyant Australian as usual wasted no time. He immediately shortened the tabloid's

name to the *Boston Herald*.

The paper also instituted a promotional cash giveaway, helping to boost circulation, which the Audit Bureau of Circulations placed at about 245,000 in its March audit, an increase of 15% from the March, 1982, figure of 212,000. Sunday circulation, however, dropped to 220,000 from 231,000 a year earlier. Current figures for the rival *Boston Globe* are 508,000 daily and 779,000 Sunday.

An even bigger disparity exists between the Boston dailies in advertising, where the *Herald* takes in only about 20% of the market share—an over-riding factor in the paper's estimated 1982 loss of \$12 million.

Mr. Murdoch's other red-ink American property continues to be the *New York Post*, which had an estimated pretax loss of \$15 million in 1982, according to media analyst John Morton of Lynch, Jones & Ryan in Washington. (Last year, Mr. Murdoch, usually tight-lipped about the finances of his properties, said he expected that the *Post* would lose some \$20 million in a two-year period ending in 1982.

Mr. Morton, however, is estimating that the *Post* could lose \$20 million in fiscal 1983 alone.)

On the bright side, *Post* circulation has continued to climb, with the March ABC figure at 961,000, compared with 904,000 a year earlier. The *Post*'s major competitor, the *New York Daily News*, also a tabloid, suffered circulation drops during the year, but still is comfortably in the lead, with figures of just over 1.5 million daily and 2 million Sunday. As in Boston, though, the lack of advertising is devastating to the Murdoch paper, as the city's leading retailers continue for the most part to ignore the *Post*.

Other Murdoch media operations are in the black. *New York*, which marked its 15th anniversary this spring, ended 1982 with 2,550 ad pages, a 10% increase over 1981, and for fiscal 1983, the weekly projects about \$26.5 million in revenue, an increase of 18% over the previous year. (In the first four months of calendar 1983, *New York* logged 875 pages of advertising as against 713 for the same period in 1982, a 22% increase.)

New York's *Village Voice* continues to be healthy as well, posting an estimated \$1 million profit in fiscal 1982 on estimated revenues of \$30 million. The San Antonio papers are locked in a hotly contested battle with Hearst's *Light*. (See story above.)

The company's national weekly newspaper, *The Star*, also is profitable, and its Houston community newspapers are estimated to be breaking even.

News America's most recent development was the May announcement that it is entering the direct-broadcast satellite (dbs) tv business. The Murdoch dbs project is a joint venture of News Satellite Television, a British company being formed by Mr. Murdoch's News International and Satellite Television, and Inter-American Satellite Television, Los Angeles.

Donald Kummerfeld, News America president, said that because the dbs provides for only five channels, one presumably would be a 24-hour movie channel while the other four would pick up "the best" that is available from other offerings.

MEDIA PROPERTIES

Magazines

New York.

Newspapers (dailies)
MASSACHUSETTS: *Boston Herald*. NEW YORK: *New York Post* TEXAS: *San Antonio Express*, *San Antonio News*, *San Antonio Express-News*.

Newspapers (nondailies)
NEW YORK: *The Star*, *The Village Voice*. TEXAS: *Houston Community Newspapers* (all in Houston)—*Community News*, *Humble Echo*, *Sentinel*, *Suburban-Reporter*, *Sun*, *Sun Woodland*.

Oak Industries

Oak Industries, Rancho Bernardo, Cal., is the country's 65th largest media company, with estimated revenues of \$139.0 million from media operations in 1981, or about 25% of total revenues of \$545.7 million. Media revenues in 1981 were an estimated \$130.0 million, or about 26% of total revenues of \$507.1 million.

Most of Oak's media revenues came from its over-the-air pay tv operations in five markets.

Write-downs (or write-offs) of certain subscription tv developments cut heavily into Oak's 1982 over-all net profit. The company took a pretax charge of \$23 million against 1982 earnings, leaving a net income of \$4.1 million. For 1981, Oak reported net income of \$30.3 million on sales of \$507.1 million.

Up until the middle of 1982 everything was onward and upward for Oak. It has been virtually all downhill since. The catalyst for all the problems has been startup problems with the company's TC-56 addressable decoder, used by cable system operators to build new systems or upgrade existing ones. By Oak's admission, the product was "rushed" through final development, resulting in many performance and quality shortcomings.

But it was as an operator of pay tv systems that Oak became the profile subject of *Fortune* and got on Wall Street's must-buy list. And it was pay tv, or more specifically Oak's ON TV subscription tv systems, that took a sizable tumble. Oak blamed it on a "faltering" economy. Others said it was the competition from cable and the poor movie product from Hollywood.

Oak reported that disconnects and terminations rose "sharply," especially in the last quarter.

By the end of 1982, Oak's five ON TV systems had an aggregate of 580,000 subscribers, an increase of about 30,000 over the previous year. But the average monthly disconnect rate last year was nearly 5%, compared with a less than 3% rate in 1981.

That spelled trouble and by the first week in May, Oak was forced to end its ON TV over-the-air pay tv operations in Phoenix, Ariz., and Dallas/Fort Worth. The shutdowns, heavily pegged to contractual difficulties the company was experiencing with its stv partners in the two markets, left Oak with three other ON TV operations—in Los Angeles, Chicago and Fort Lauderdale-Miami.

Negative audience response to the scheduling of some of these onetime, special fee programs—the portion of the potential audience that subscribed ranged from 10% to 51% in 1982—has stung the company. As a result, Oak is now being much more careful selecting events and appropriate marketing.

When Oak was riding high, its most promising "acorn" was a plan to construct and operate a direct-to-home broadcast satellite (dbs) system. It was to be a three-phase plan for establishing, by 1994, a dbs system serving the U.S., with 12 channels of pay tv programming to each time zone. The first phase was to begin next year using channels on a Canadian satellite.

In less than a year, most of those ambitions have gone up in smoke. First there was termination of the agreement with the Canadian satellite carrier. More recently, Oak withdrew its application with the Federal Communications Commission for authority to construct and operate a satellite. Still, the company promises to participate in the dbs industry as a system operator, a maker of dbs-related equipment and a provider of dbs programming.

One of Oak's most perplexing problems is a class-action suit filed by shareholders that accuses the company of fraud, deceit and misrepresentation of its financial position in connection with federal and state securities laws. The suit seeks unspecified monetary damages.

Oak dabbled as an owner and operator of cable tv systems, but got out of that business by the fourth quarter of 1982. Systems in Castro Valley and Oxnard, both in California, were sold for a net sales price of about \$30.5 million to Cable TV Fund 10-A, an investment group affiliated with Jones Intercable. Now Oak has no further intentions of operating cable systems.

Meanwhile, the good things that have happened to Oak supposedly include a restructuring of the upper level management, completed in January.

As a supplier of pay tv programming, Oak, through a \$16 million venture with Universal Pictures (each party funding half of the cost of film production), has released "Psycho II" as the first film in this partnership.

Another more positive development of recent months is Oak's spending of millions to expand its distribution capability through a venture with Telstar Corp. Under the agreement, the programming Oak develops will be marketed via satellite to various pay tv outlets, including other stv systems, satellite master antenna systems, cable tv systems, multipoint distributions systems and low-power tv systems.

This joint venture, which includes the subleasing of transponders from Telstar, began in late February with commitments for 16,000 subscribers. It became the first scrambled, addressable national pay tv service to be broadcast via satellite, and Oak believes it has a "large" potential audience for new programming sales.

Another joint venture was formed with Rascal Electronics

PLC, an established electronics company in Britain. Oak hopes to develop profit opportunities in pay tv in Europe through this partnership.

Despite these glimmers of hope—the company says that "most heartening" is the technological progress made in solving problems associated with new equipment for cable television—Oak acknowledges that an operating loss for the first and second quarters of 1983 are expected.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KBSC, Corona/Los Angeles; WKID, Fort Lauderdale/Miami; WSNS, Chicago (49% interest).

Cable/video

Oak Media (supplier and distributor of pay tv programming), ON TV subscription tv (Los Angeles, Fort Lauderdale/Miami and Chicago), Rascal Electronics-Oak (developing profit opportunities in European pay tv), VideoNet (videoconference services).

OTHER OPERATIONS

Company markets equipment for use in stv and cable tv systems, materials used in printed circuit applications, and a broad line of electrical electronics and gas components.

Oklahoma Publishing Co.

Oklahoma Publishing Co., Oklahoma City, the nation's 28th largest media company, had estimated media revenues of \$302.9 million in 1982, an increase of 13.5% over estimated media revenues of \$266.8 million in 1981. The company derives all of its revenues from media operations.

The *Daily Oklahoman* and *Oklahoma City Times* continued to dominate corporate revenues, accounting for about 63% of the total. The company's other operations consist of Dallas-based Gaylord Broadcasting Co., the *Colorado Springs Sun* and the *Texas/Oklahoma Farmer-Stockman* magazine. Its broadcasting lineup in 1982 consisted of three radio properties and the full complement—as allowed by law—of seven tv stations; however, an agreement was reached recently to sell one station, in New Orleans.

The Oklahoma City newspaper property remained aggressive in the local market, despite the lack of a metropolitan competitor. It pushed up circulation in its morning, afternoon and Sunday papers an average of 4.2% in 1982 over 1981.

The Sunday paper hit 300,358, compared with 286,819 in 1981; the Saturday product, 233,316 (vs. 226,553), and the combined morning and evening papers 280,184 (vs. 266,802), according to Audit Bureau of Circulations figures for the six-month period ending in March.

If there is a problem with circulation, it is the *Oklahoma City Times*, the evening paper, which increased in circulation only 1%, from 84,198 to 85,004, during the audit period.

Publisher Edward L. Gaylord,

speaking on "Oklahoma newspapers: Dinosaurs or Tigers" at a newspaper management seminar in April, sponsored by the Oklahoma Press Assn., identified his own evening *Times* as "becoming one of the dinosaurs." He said, "We go out trying to get subscriptions for our evening paper and we end up with more for the *Daily Oklahoman* [the morning paper]. It is just real tough to sell the evening. We used to have 135,000 circulation, and we can't get it back to 90,000." He also told the group, "We might merge the *Times* into the *Oklahoman* in the future, but I don't know when. That's been going on in many towns, and I've been trying to hold it off. The *Times* still makes money, but there is a tremendous duplication of effort and I don't know whether it is worth it anymore."

The paper, which now carries a hefty \$63 per inch (\$56 per inch in March, 1982) open rate for advertising, thanks to its dominant position in the market, recorded a full-run lineage increase of only 0.7% in 1982 over 1981. The combined line count for the a.m. and p.m. dailies dropped 3.8%, from 27.2 million to 26.2 million in 1982. The Sunday lineage improvement of 6.5% from 16.9 million to 18.0 million helped bring the year's totals even with 1981's.

Since January, the paper has initiated a number of editorial/advertising moves to perk up advertising, which in February lineage reports was down in all papers. It launched "The Look," a monthly fashion section dealing with society stories and fashion trends to court display advertisers who supply models and clothing for the issue covers. It also introduced new Sunday travel and real estate sections and redesigned its entertainment section.

Construction continued on the company's \$40 million plant in Oklahoma City, where 20 high-speed, Goss-Metroliner offset presses are being installed. The facility is expected to be in operation this fall.

Since purchasing the morning *Colorado Springs Sun* in 1977, the company has pumped \$20 million into rebuilding the property, but remains in a subordinate position to Freedom Newspapers' *Colorado Springs Gazette Telegraph*, an all-day paper with 70,000 circulation. The company made one of its biggest moves at the paper in January when it converted to tabloid format. "We gained 5,000 readers during the month," says Mr. Gaylord, who says the company hopes to have 50,000 circulation by September.

Gazette Telegraph officials, however, take exception to his figures, noting that ABC circulation statements for the six months ended March 31 show the *Sun* with 34,439 daily and 36,375 Sunday, and the *Gazette* with 87,340 combined daily and 93,009 Sunday. The officials also say lineage figures for retail, national and classified from January through the end of May of this year show the *Sun* down 66,627 inches to the same period a year ago, and the *Gazette* up 78,275 inches.

"We'll have a showdown with

the Hoiles [Freedom Newspapers] papers in the next year or so," Mr. Gaylord said at the management seminar. He believes that two-newspaper towns are a dying breed, which perhaps has something to do with the showdown.

Mr. Gaylord keeps an eye out for promising newspaper properties. The company bid \$40 million for the *Jackson (Miss.) Clarion-Ledger & News* in 1982, but lost out when Gannett Co. more than doubled Opubco's bid for the paper.

Gaylord Broadcasting's lineup of tv stations did not change during 1982. Gaylord came close to selling WVUE-TV in May to New Orleans, reaching a tentative agreement with Dallas-based Belo Corp. on a purchase price of \$25 million. However, negotiations broke off soon afterwards.

WVUE is affiliated with ABC and is Gaylord's only nonindependent station. "New Orleans is the smallest town we are in for television," says Mr. Gaylord, although noting "it is a darn good station." It is also a union shop, the only union operation among the tv units owned by Mr. Gaylord, an avid anti-unionist who once flew pressmen from the *Oklahoman* to Washington to help train pressmen at the *Washington Post* who were brought in to keep the newspaper open during a strike.

MEDIA PROPERTIES

Broadcasting

TELEVISION: Gaylord Broadcasting Co.—WTVT, Tampa, Fla.; WVUE, New Orleans; WUAB, Lorain (Cleveland), O.; KTVT, Dallas/Fort Worth; KHTV, Houston; KSTW, Tacoma, Wash.; WVTM, Milwaukee.

RADIO: WKY (am), Oklahoma City; KYTE (am) and KLLB (fm), Portland, Ore.

Newspapers

COLORADO: *Colorado Springs Sun*. OKLAHOMA: *Daily Oklahoman*, *Oklahoma City Times*.

Magazines

Oklahoma/Texas Farmer-Stockman.

Outlet Co.

Outlet Co., Providence, R.I., is the country's 88th largest media company, with media property revenues of \$87 million, a 16% increase from media revenues of \$75.0 million in 1981. The revenues were derived from five vhf television and five radio stations.

The publicly owned Outlet became an all media company in 1982 with the sale of its retail segment, which in 1981 had contributed about half of the company's \$142.8 million in total revenues.

In early May, Rockefeller Center Inc. announced that it had reached a tentative agreement to acquire Outlet for \$68 a share for the company's then outstanding 3.6 million shares. Including the assumption of the company's \$87.3 million of debt, the total transaction is being valued at \$332.1 million. However, Outlet's WSNE, an fm radio station in Taunton, Mass.—Providence area, would not be

part of the sale.

Under the tentative agreement—yet to be ratified by the boards of the two companies, Outlet's shareholders and the Federal Communications Commission—Outlet, would become a wholly owned subsidiary of Rockefeller Center. Bruce G. Sundlun, the president and chief executive officer of Outlet, would become the new unit's chairman and chief executive. David E. Henderson, Outlet's executive vp, would become president and chief operating officer.

All of Outlet's broadcasting units—radio and tv—performed well in 1982, enabling it to post a profit of \$18 million on \$87 million in revenues. In the previous year, Outlet had a net loss of \$18 million.

During the last few years, development and expansion of these broadcast operations have been the keys to Outlet's strategy of growth.

The prime positioning of each of its properties in major broadcasting markets has helped considerably. The company, however, says it has no plans to enter the new communications technologies. Mr. Sundlun, the company's president, has been quoted as saying: "Cable holds no interest for me; it's an obsolescent technology and a limited market at best. I think over-the-air network affiliated television stations will be the major entertainment factor for the rest of this century."

Clearly, it was similar thinking that prompted Rockefeller Center to make its bid for Outlet. The transaction seems to fit into Rockefeller Center's strategy to divest some of its present holdings, predominantly in real estate, and enter into areas that produce higher returns and greater profits. Rockefeller Center's first venture into the entertainment business consisted of a cable tv service called The Entertainment Channel, a joint venture with RCA Corp. The Entertainment Channel was closed last March after it had reportedly lost \$34 million before taxes.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KOVR, Stockton/Sacramento, Cal; WDBO, Orlando, Fla.; WCMH, Columbus, O.; WJAR, Providence R.I.; KSAT, San Antonio, Tex. RADIO: KIQQ (fm), Los Angeles; WQRS (fm), Detroit; WIOQ (fm), Philadelphia; WSNE (fm), Taunton, Mass.—Providence, R.I.; WTOP (am), Washington.

Park Broadcasting

Park Broadcasting, Ithaca, N.Y., is the country's 90th largest media company. Net operating revenues from media operations in 1982 were \$85.0 million, a 13.3% increase from 1981 revenues of \$75.0 million.

Media operations represent 93% of total revenues of \$91.0 million in 1982. Total revenues were up 13.8% from \$80.0 million in 1981, when media operations accounted for 94% of corporate revenues.

The 21-year-old company has been built through the acquisition of small-market newspapers and broadcast outlets. Maintaining this philosophy, Park last year acquired five new weeklies and two new daily newspapers in small cities in North Carolina and North Dakota. The company last year also folded one of its papers, the *Quinton (Okla.) Times*.

Roy H. Park, 72, started the company in 1962 with the purchase of WNCT-TV in Greenville, N.C., his home state. Today, Mr. Park, who is the company's sole owner, has seven tv stations, seven am radio and seven fm radio stations. In 1977 the company became the first media concern to own the maximum number of broadcast operations that the Federal Communications Commission allows—seven each of television, am radio and fm radio stations.

Mr. Park has said that the other electronic medium—cable tv—is not the company's style because it is highly capital-intensive and is going to wind up, he believes, in the hands of a few large companies.

Mr. Park began buying newspapers in 1972. Today his company owns 22 dailies and 19 weeklies, many located in the South and Southeast. Newspapers added in 1982 were:

- In North Carolina—*Sandhill Citizen*, Aberdeen; *Sampson Independent*, Clinton; *Mecklenberg Gazette*; *Elizabethtown Bladen Journal*; *McDowell News*, Marion, and *Robbins Record*.

- In North Dakota—*Devils Lake Daily Journal*.

These latest acquisitions fall nicely into the Park fold. The company's policy is to promote growth by reinvesting all company earnings back into the company.

Mr. Park's son, Roy Park Jr., runs another family venture, Park Outdoor Advertising, which operates in Ithaca, Jamestown, Binghamton and Utica, N.Y., and Scranton, Pa.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WBBG, Birmingham, Ala.; WUTR, Utica, N.Y.; WNCT, Greenville, N.C.; WDEF, Chattanooga, and WJHL, Johnson City, Tenn.; WSLS, Roanoke, and WTVR, Richmond, Va.

RADIO: KRSI (am) and KJJO (fm), Eden Prairie, Minn.; WHEN (am) and WRRB (fm), Syracuse, N.Y.; WNCT (am, fm), Greenville, N.C.; KWJJ (am) and KJIB (fm), Portland, Ore.; WNAX (am), Yankton, S.D.; WDEF (am, fm), Chattanooga, Tenn.; WTVR (am, fm), Richmond, Va.; KEZX (fm), Seattle.

Newspapers (dailies)

ARKANSAS: *Helena World*. FLORIDA: *Brooksville Sun Journal*. GEORGIA: *Warner Robbins Sun*. ILLINOIS: *Macomb Daily Journal*. INDIANA: *Plymouth Pilot News*. MICHIGAN: *Coldwater Daily Reporter*. NEBRASKA: *Nebraska City News Press*. NEW YORK: *Lockport Union Sun & Journal*, *Norwich Evening Sun*, *Ogdensburg Journal*. NORTH CAROLINA: *Concord Tribune*, Kan-

napolis *Daily Independent*, Morganton *News Herald*, Newton *Observer-News-Enterprise*, Lumberton *Robesonian*, Sampson *Independent* (Clinton), *Statesville Record & Landmark*. OKLAHOMA: *Broken Arrow Daily Ledger*, *McAlester News-Capital & Democrat*, *Sapulpa Daily Herald*. NORTH DAKOTA: *Devils Lake Daily Journal*.

Newspapers (nondailies)

ARKANSAS: *West Helena Twin City Tribune*. GEORGIA: *Perry Houston Home Journal*. INDIANA: *Bremen Enquirer*, *Nappanee Advance News*. NEW YORK: *Canton-St. Lawrence Plaindealer*, *Potsdam Courier-Freeman*, *Massena Observer*. NORTH CAROLINA: *Elizabethtown Bladen Journal*, *Maiden Times*, *McDowell News* (Marion), *Mecklenberg Gazette*, *Robbins Record*, *Sandhill Citizen* (Aberdeen), *Valdese News*. OKLAHOMA: *Bixby Bulletin*, *Hartshorne Sun*, *Jenks Journal*.

Outdoor

Park Outdoor Advertising, serving Binghamton, Ithaca, Jamestown and Utica, N.Y., and Scranton, Pa.

Penthouse International

Penthouse International, New York, is the country's 57th largest media company, with estimated 1982 media property revenues of \$165.0 million, or 94% of total estimated revenues of \$175.0 million. In 1981, media revenues were \$150.0 million, or 94% of total revenues of \$160.0 million.

Last year was one of business as usual, albeit at a somewhat reduced rate, for the empire of Robert Guccione. As top executives attempted to ride out two recessions, one in the national economy and one in the "men's sophisticates" market, developmental activities on a variety of projects continued, but more slowly than originally anticipated. Profits were said to have increased well above those of 1981 because of price increases and the readjustment of arrangements with magazine distributors. But the privately held company, owned by Mr. Guccione and Guccione family trusts, does not make specific figures available.

The focus of the company's pursuits remains magazines, particularly the flagship, *Penthouse*, which provides an estimated 80% of media property revenues. It seems the company is best at publishing; other ventures, ranging from cable tv to a foray in Atlantic City, remained relatively inactive during the year.

The fortunes of *Penthouse*, like those of rival *Playboy*, flagged further during 1982, following the downturns of 1981. Ad pages fell 8.8%, while ad revenues fell 8.5%. Circulation slumped, too, and the rate base guaranteed to advertisers was trimmed to 4 million; by the end of 1982, actual circulation was down to 3.8 million. This decline was stemmed in part by a cover price increase, to \$3. This affects *Penthouse* more than it might

other magazines, because 94% of its circulation is in single copies.

But the company is "unwilling to make a judgment based on last year," said David Myerson, executive vp and chief operating officer, "because we think last year was an aberration." He expects circulation and advertising to show signs of growth during the rest of this year; in the second quarter, ad pages for *Penthouse* rose by 9.3%, their first gain since the first quarter of 1982. The magazine's first "advertising" section, centering on the 1983 Porsche-Audi line, appeared this month.

Mr. Guccione's other magazines are said to be profitable. *Omni*, the science monthly, showed a 4.2% gain in ad pages in 1982 over 1981 and an 18.5% gain in ad revenues. Circulation fell slightly, to 769,000, but has since risen to about 825,000. Mr. Myerson said. Ad pages through the first half of 1983 are up 10.2%. Circulation of *Forum* declined to around 517,000 from 620,000, but *Variations* has enjoyed a circulation gain to about 250,000 from 200,000. A fifth magazine, a bimonthly called *Penthouse Letters*, was introduced with a 112-page issue dated April-May, 1983. A half-million copies of the first issue, with a \$3 cover price, were distributed.

Meanwhile, the company is pleased with the results of a stepped-up program to license foreign editions. There are two foreign editions of *Omni*, in Italy and Japan, and seven for *Penthouse*, in Australia, Brazil, Great Britain, Italy, Japan, Spain and West Germany. The Japanese edition, introduced in March, quickly sold out its entire print order of 500,000. Plans are proceeding for creation of a Japanese edition of *Forum*, Mr. Myerson said.

Being reduced are plans to start a cable tv channel, announced with great fanfare for 1981, then 1982 and later 1983. "Rather than a total commitment," said Mr. Myerson, "we're looking at the market, financing the production of some cable television programs. We'll go into the process step by step."

Indicative of the de-emphasis of cable was the announcement in March of a broadcast syndication project to televise *Penthouse's* annual Pet of the Year competition. A program of the pageant finals, to be produced by Parkinson-Friendly Productions, is expected to air in early September.

And another area where the company is slowing the pace of its expenditures is films. "Catherine the Great," the second movie in a proposed trilogy—"Caligula" was first—remains in pre-production.

A major drain has been the \$522-million libel suit brought by the owners of Rancho La Costa, a California resort alleged in a 1975 *Penthouse* article to have ties with organized crime. After the magazine was exonerated by a jury in May, 1982, a judge threw out much of the jury's verdict. But that judge's decision is now under review by another judge.

And in the case of a former

Miss Wyoming who claimed a 1979 *Penthouse* article libeled her, a federal appeals court last November overturned a verdict that called for her to be awarded \$26.5 million, later reduced to \$12.5 million.

The company philosophy remains to "continue... embroiling ourselves in controversy," Mr. Myerson said, "because it's important for our readers."

MEDIA PROPERTIES

Magazines

Forum, *Omni*, *Penthouse*, *Penthouse Letters*, *Variations*.

OTHER OPERATIONS

Apex Properties, Boardwalk Properties, International Nuclear Systems Organization, *Penthouse Films*, *Penthouse International Books*, Evelyn Rainbird Ltd. (mail order).

Petersen Publishing Co.

Petersen Publishing Co., Los Angeles, is the country's 74th largest media company, with media revenues of \$117.5 million, or 92% of total revenues of \$127.5 million. Media revenues were up 12% from 1981's \$105.0 million (revised from the \$120.0 million ADVERTISING AGE reported last year), or 93% of \$113.0 million in total revenues.

The privately owned company's media revenues come primarily from its 15 special-interest magazines. It also has interests in real estate, restaurants and art galleries.

While 1982 was a tough year for most publishers, and particularly bad for companies competing in the automotive area, Petersen Publishing put in a robust performance. Company president Frederick Waingrow attributes Petersen's steady gains to the constancy of its readership, hard-core enthusiasts. Sources suggest that Petersen's automotive group continues to be in a strong position, as U.S. auto makers place more emphasis on wooing auto enthusiasts through special-interest media.

So far in 1983, the future looks bright for Petersen. Mr. Waingrow anticipates publishing revenues will reach \$133 million this year, with total ad revenues reaching \$72.5 million, a significant increase from \$63.0 million in 1982.

To date, several titles, including *Car Craft*, *Skin Diver* and *Motor Trend*, are showing all-time records. Mr. Waingrow says that on average total monthly lineage for the first five issues of all its titles were up 9.3% from 1982 levels. The largest percentage gains have come from *4 Wheel & Off-Road*, *Skin Diver* and *Hunting*.

With one exception—*Teen*—Petersen's magazines reflect the interest of the company's founder and sole owner, Robert Petersen, 56. A former press agent, Mr. Petersen founded the company 35 years ago, with an ambition to develop publications catering to the tastes of auto enthusiasts like himself. The company's first publication was *Hot Rod*.

From then on, Petersen Publishing was out with other publications reflecting the founder's other interests. While today Mr. Petersen is no longer involved in the day-to-day operations of his company, his stamp is everywhere: Visitors strolling through the hall of the company's seventh-floor executive offices are met by a 1,500-lb. stuffed polar bear encased in glass. A nearby plaque explains that the animal was shot by Mr. Petersen with a .357 magnum.

Since its founding, Petersen Publishing has stuck to a basic strategy that has propelled it to the position as the largest special-interest magazine publisher in the U.S.: It concentrates on narrow market segments and grows through further segmentation in the areas in which it is already entrenched.

In 1982 it didn't deviate from its established course. During the year, it added three new titles in areas in which it already had a presence. In January, it acquired *Pick Up*, *Van & 4 Wheel Drive* from CBS Publications. Later in the year, it started two new publications, *Circle Track* and *Dirt Rider*, as outgrowths from successful one-shot magazines produced by its specialty publications division.

In 1983, it plans to start at least two new titles, *Sports Car Graphic*, a bimonthly covering the technical and racing aspects of sports cars, and *Kit Car*, a publication devoted to assemble-yourself classic car replicas.

Petersen continues to publish a large number of one-shot magazines issued on a less-than-monthly basis, often just once a year. In 1982 its 49 one-shot titles sold more than 5 million copies on the newsstand, at prices ranging from \$2.50 to \$6.95. About 60 titles are planned for 1983, including *How to Build Off-Road Vehicles*, *Personal Security*, *Discover Yourself* and *Hunting Annual*.

Mentioned as possible subjects for single issues are audio-visual equipment, home entertainment and home computers.

Teen is the only Petersen publication run as a separate division. In 1983 it plans to start a new quarterly, *Great Looks*, a fashion and grooming publication originally introduced in 1982 as a one-shot. *Teen*, which owns the rights to the Miss Teenage America Pageant, is talking to potential sponsors about bringing the pageant to tv in the fall. Sears, Roebuck & Co. has been the pageant's sponsor in the past.

The company has for the past two years expressed a serious interest in expanding into broadcasting and the new videot technologies, but has yet to take the step.

MEDIA PROPERTIES

Magazines

Car Craft, *Circle Track*, *Dirt Rider*, *Guns & Ammo*, *Hot Rod*, *Lakeland Boating*, *Motor Trend*, *Motorcyclist*, *Petersen's 4-Wheel & Off-Road*, *Petersen's Hunting*, *Petersen's Photographic*, *Pick Up*, *Van & 4-Wheel-Drive*, *Rudder*, *Sea & Pacific Skipper*, *Teen*. Also, one-shot special-interest publications.

OTHER OPERATIONS

Art galleries, real estate, restaurants.

Pittway Corp.

Pittway Corp., Northbrook, Ill., is the country's 91st largest media company, with 1982 media property revenues of \$81.8 million, down 5.5% from media revenues of \$86.3 million in 1981.

Media revenues, which came entirely from Pittway's business press subsidiary, Penton/Industrial Publishing Co., Cleveland, made up 20% of total corporate revenues of \$411.1 million in 1982. In 1981, total revenues were \$403.6 million, of which 21% came in media.

Publishing ranks behind burglar/fire alarms and packaging in size of contribution to corporate revenues.

Advertising revenues come from 28 magazines, accounted for 75.9% of Penton/IPC's 1982 publishing revenues of \$107.8 million. Nonmedia revenue sources contributing to Penton/IPC's total included graphic services (5.2%) and marketing and educational services (18.9%). The company also has real estate holdings that bring its total revenues to \$136 million, a figure matched each of the past two years.

Although Pittway Corp.'s total revenues rose 2% from 1981 to \$411.1 million, Penton/IPC's share, which includes nonmedia holdings, dropped to 26% in 1982 from 28% the previous year.

Total ad pages for the Penton/IPC's magazines declined 7%, and ad revenues fell 2% from 1981 levels. However, Thomas L. Dempsey, Penton/IPC chairman and chief executive officer (and a Pittway vp), is quick to point out that these decreases follow the company's best year ever and that 1982 results, while below 1981's, are the company's second best in its history.

Ad pages for 1983's first quarter are down compared with the same period in 1982, which Mr. Dempsey characterized as the strongest first quarter ever, but above the total for the fourth quarter of 1982. "The second half of 1982 should be better," he said. "The signs of improvement are beginning to appear."

He is most encouraged about the success of Penton/IPC's newest publication, *Computer-Aided Engineering*, which began bimonthly publication in February, 1982. "Computers are a hot subject now," he said, "and even though it covers a fairly technical area of the field, the publication still is growing."

MEDIA PROPERTIES
Magazines

Air Conditioning & Refrigeration, *Air Transport World*, *Chemical Engineering Catalog*, *Computer-Aided Engineering*, *Energy Management*, *Foundry*, *Government Product News*, *Handling & Shipping Management*, *Heating/Piping/Air Conditioning*, *Hydraulics & Pneumatics*, *Industry Week*, *Lodging Hospitality*, *Machine Design*, *Management Personal Time*,

Material Handling Engineering, *Materials Engineering*, *Modern Office Procedures*, *New Equipment Digest*, *Occupational Hazards*, *Power Transmission Design*, *Precision Metal*, *Production Engineering*, *Progressive Architecture*, *Restaurant Hospitality*, *School Product News*, *Used Equipment Directory*, *Welding Design & Fabrication*, *Welding Distributor*.

Other media

Direct response cards, directories, annuals, special publications.

OTHER PROPERTIES

Animated films, C&A Investments, Curtin & Pease (direct mail marketing), Fluid Power Show, list sales, Mail-Tel Service, market research, Penton/IPC Press (graphic services), Penton Learning Systems, Pittway Real Estate, Power Transmission Show, Saddlebrook Resorts.

Playboy Enterprises

Playboy Enterprises, Chicago, is the 55th largest U.S. media company, with media property revenues of \$165.9 million in fiscal 1982, ended June 30, 1982. This amounted to about 79% of total revenues of \$210.1 million.

In fiscal 1981, media revenues restated by the company were \$177.6 million, or 80% of total corporate revenues of \$221.5 million, a figure restated by the company from \$388.9 million.

The publicly held company lost \$51.7 million in 1982, although profits from media operations were \$7.6 million. Nonmedia revenues came from Playboy Clubs and other interests.

The corporate figures for 1981 have been restated by Playboy to reflect only continuing operations. In fiscal 1982, the company withdrew from one of its primary business areas—casino gaming. Two adverse regulatory decisions led Playboy to discontinue its gaming operations in the United Kingdom and its casino in Atlantic City. It then divested itself of several unprofitable businesses, including resort hotels and book publishing.

Anointed to oversee Playboy's transformation into a slimmed-down company whose basic business is communications was Christie Hefner, the 30-year-old daughter of Playboy founder and chairman Hugh Hefner.

With the company in various capacities for seven years, Ms. Hefner took the title of president from Derick J. Daniels, who resigned in May, 1982.

Even as the company became more dependent on the publishing business, *Playboy* magazine—a mature book in a mature category—continued to lose ground in advertising and circulation.

The magazine's rate base was lowered to 4.4 million from 5 million in January, 1983. Ad pages were down 30.8% in the first quarter of 1983, after a 12.1% drop in 1982. Ad revenue fell 3% last year, and rates were slashed 12% in January.

One of Ms. Hefner's favorite projects, the *Playboy Guides*,

was killed in the spring of 1983, less than a month after the company announced it would increase the frequency of one of them—*Playboy Fashion*—to quarterly from semiannually.

Launched in 1980, the *Guides* were sent free to Playboy subscribers and sold on newsstands. According to Nat Lehrman, president of the publishing division, they will reappear as special sections of *Playboy* by the end of the year or early 1984. Although Mr. Lehrman acknowledges the *Guides* were losing money, he said the discontinuation "is part of a plan to position *Playboy* as the preeminent men's life style magazine."

In the video arena, the Escapade/Playboy pay cable tv network officially became the Playboy Channel in November, 1982, as the company took 100% control of programming for the network of which it is half owner—the other half is owned by Rainbow Programming Services Co.

With 400,000 subscribers, the Playboy Channel was making about \$10 million annually by the end of 1982. The company expects 750,000 subscribers by the end of calendar 1983.

MEDIA PROPERTIES**Cable/video**

Playboy Channel, cable programming co-venture with Rainbow Programming Services Co.

Magazines

Playboy, *Games*.

OTHER OPERATIONS

Playboy Clubs International; Playboy Video, quarterly home video releases; product sales and licensing.

Providence Journal Co.

Providence Journal Co., Providence, R.I., is the nation's 66th largest media company, with 1982 revenues from media operations of \$132 million, or 42% of \$312.0 million in total revenues. In 1981, the company had media revenues of \$121.0 million, or 46% of \$262.0 million in total revenues.

The media operations of the company consist of two daily newspapers, radio and tv properties and cable tv systems. It derives nonmedia revenues from its Providence Gravure subsidiary.

Last year, the U.S. circuit court of appeals in Boston ruled that the *Providence Journal* had violated antitrust laws by refusing to accept advertising from an apartment and rental home referral service. According to the newspaper, it had banned the category of advertising after it had been deluged with complaints about another referral service advertiser's allegedly deceptive practices.

The issues in the case have led the American Newspaper Publishers Assn. to join the *Journal* in seeking a Supreme Court reversal.

The broadcasting operations of the company continue to consist of the operations of one tv station and two radio stations. Providence Journal Broadcasting, a wholly owned subsidiary, operates WPHL-TV in Philadelphia and WEAN (am) and WJPB (fm) in Providence.

The company has established itself as a major force in cable tv through its ownership of Colony Communications, the 30th ranked multiple system operator (msc) in the country. It has 165,000 basic subscribers and 160,000 who subscribe to pay services. The company also operates a multipoint distribution system (mds) that transmits Home Box Office programming to nearly 17,000 subscribers in Boston, Springfield, Mass., and Providence. The number of mds subscribers last year was 21,000.

Colony this month began distributing *Cableview*, an 80-page magazine format monthly, to approximately 110,000 Colony subscribers. The subscribers had been receiving a variety of program guides put out by the program suppliers.

Amidst all this, the company has been substantially involved in adding new cable systems and selling off others. It sold off systems covering six communities in the Pittsburgh area and is selling its franchises in Falmouth, Mass., and Bennington, Vt. At the same time, a joint venture of Colony, Copley Newspapers, and local investors won the first negotiating rights to the 8,100-home Lomita, Cal., franchise. The Lomita franchise is adjacent to Colony's systems in the Harbor City, San Pedro and Wilmington sections of Los Angeles. With the winning of Lomita, Colony will have more than 37,000 subscribers in four contiguous communities. The msc was also the successful applicant in a 7,500-home section of an unincorporated section of Los Angeles.

Last June, Colony began to publish two 24-hour electronic newspapers using a Canadian videotex technology. Both systems are off and running and are available to all Colony subscribers in the Providence-New Bedford, Conn., areas.

Colony has also begun to develop institutional cable links for a number of corporate clients, including International Business Machines Corp., Wang Laboratories and the Woods Hole Oceanographic Institute. The institutional systems are fully operational, said Mal White, Colony's director of public relations.

In addition, the company also established a division of broadcast sales to pursue the possibility of cable advertising. The division sells time on advertiser-supported channels, as well as on some locally produced ones. In 1982, revenues of this unit had more than doubled to \$2.2 million.

MEDIA PROPERTIES**Broadcasting**

TELEVISION: WPHL, Philadelphia.

RADIO: WEAN (am) and WJPB (fm), Providence, R.I.

Cable/video

Colony Communications, serving CALIFORNIA: Harbor City, Lomita (partial interest), San Pedro, Wilmington. FLORIDA: Hialeah-Coral Gables (88.9%). MASSACHUSETTS: Fall River (84%), Lowell, New Bedford (86%), Woburn. NEW YORK:

Beacon, Hyde Park, Lloyd, Monroe, Poughkeepsie. RHODE ISLAND: Hopkinton, Westerly. Multipoint distribution systems. MASSACHUSETTS: Boston, Springfield. RHODE ISLAND: Providence. Videotex system in Providence, R.I.-New Bedford, Conn. areas.

OTHER OPERATIONS
Providence Gravure.**Pulitzer Publishing Co.**

Pulitzer Publishing Co., St. Louis, is the country's 43rd largest media company, with 1982 revenues estimated by ADVERTISING AGE at \$224 million, all from media sources. In 1981, media revenues in the privately owned company—the majority of stock is held by members of the Pulitzer family—were an estimated \$197.4 million.

The *St. Louis Post-Dispatch*, the company's largest property and its flagship operation, weathered the recession of 1982 in surprisingly good shape, partly because of a salary freeze and other labor reduction measures put into place in 1981. A drop in the price of newsprint also helped maintain financial health.

During the first three months of 1983, Pulitzer Publishing took several steps to change its broadcast property lineup. First it sold its Providence, R.I., station, WLNE-TV, a CBS affiliate, to Freedom Newspapers of Santa Ana, Cal., for a reported \$15.5 million.

That move paved the way for completion of a larger transaction with Multimedia Inc., Greenville, S.C. Pulitzer traded KSDK-TV in St. Louis for Multimedia's WFBC (renamed WYFF) in Greenville and WXII in Winston-Salem, N.C. The transaction also involved about \$8.5 million in cash. All three stations are NBC affiliates.

Both companies had wanted to divest themselves of their hometown tv properties because the Federal Communications Commission frowns upon cross-ownership of dailies and tv stations in the same market. Pulitzer also wanted to lessen its dependence on the St. Louis market. In addition, Pulitzer now intends to buy two uhf stations—WPTA in Fort Wayne, Ind., and WKLY in Louisville, Ky.—from the Gannett Co., pending FCC approval.

Those acquisitions would bring Pulitzer to the FCC limit of five vhf stations and two uhf stations, and the company says it plans no further changes in the roster.

The shuffle of properties would leave Pulitzer without an anchor in a major metropolitan area, but the company apparently prefers less-crowded, midsize markets such as Greenville and Fort Wayne. "We're comfortable with that size station," said Nicholas G. Penniman IV, Pulitzer's assistant general manager.

While many publishing companies have diversified into cable ownership, Pulitzer hasn't and probably won't. "We've

stayed away from cable systems and will continue to," Mr. Penniman said.

However, the company has a subsidiary, Pulitzer Productions, which has experimented with electronic information distribution and in December it purchased 80% ownership in a tiny entrepreneurial concern that could eventually produce high school sports programming for cable.

Pulitzer Productions bought half-interest in another venture, States News Service, Washington, last year, but closed the operation in March. Officials blamed the economy.

St. Louis' two daily newspapers, Pulitzer's afternoon *Post-Dispatch* and the morning *Globe-Democrat*, which is owned by Newhouse Newspapers, merged all operating functions, except editorial, under a newspaper agency agreement in 1979. Since then, the two papers have split profits and losses equally.

Pulitzer management controls the operating agency and handles all accounting, circulation and advertising for both papers. The *Post-Dispatch* and *Globe* have a combined daily circulation of about 500,000 and weekend circulation of about 700,000.

The newspaper agency lost money or was only marginally profitable from 1979 through 1981, but thanks to cost-cutting measures instituted before the recession, it apparently did well in 1982.

The supplement, born as an advertising-only package, evolved into a *Globe-Democrat* section called "Living Midweek" containing editorial copy, run-of-press advertising and inserts.

"Living Midweek" is dropped on some 500,000 doorsteps in the St. Louis area, and it's designed to compete directly with the *Suburban Newspapers of Greater St. Louis*.

While taking on the suburban weeklies at the grass-roots level, the *Post-Dispatch* and *Globe* also find themselves challenged at the other end of the spectrum by *USA Today*, Gannett Co.'s national daily, which came to St. Louis in April.

The *Post-Dispatch* is responding by redesigning its vending machines, planning a new promotion and brightening its graphics, typography and page-one layout. (The *Globe*, with early morning deliveries and sales, is said to be less vulnerable.)

"We have 10% to 15% national advertising, and we're competing directly with *USA Today* for that," Mr. Penniman said.

Then, too, in most markets *USA Today* is believed to take away 3% to 5% of local street sales, "but we're not going to let them have it here," he said, "at least not without a fight."

MEDIA PROPERTIES

Broadcasting

TELEVISION: KETV, Omaha, Neb.; KOAT, Albuquerque, N.M.; WGAL, Lancaster, Pa.; WYFF, Greenville, S.C.; WXII, Winston-Salem, N.C.

RADIO: KKLT (fm) and KTAR (am), Phoenix, Ariz.

Newspapers (dailies)

ARIZONA: *Arizona Daily Star*

(Tucson). MISSOURI: *St. Louis Post-Dispatch*.

OTHER OPERATIONS

Pulitzer Productions, Sports Stats (80% interest).

RCA Corp.

RCA Corp., New York, is the fourth largest media company, with media revenues totaling \$1.79 billion in 1982—all from National Broadcasting Co. The media revenues represented 22% of the corporation's total 1982 revenues of \$8.24 billion. In 1981, RCA reported \$1.62 billion in media revenues, or 20% of total revenues of \$8.01 billion.

The year 1982 marked not only a 10% advance in NBC's sales over 1981, but the end of a four-year earnings slide. NBC reported pretax profits at \$107.9 million in 1982, up from \$48.1 million. For the first quarter of 1983, RCA reported over-all sales had risen to \$2.09 billion from \$1.97 billion in the first quarter of 1982. Net income, however, fell to \$32.3 million from \$60.5 million.

NBC's performance was not broken out in the quarterly statement, other than a note that NBC posted "sharply higher" profits on a 24% increase in first-quarter sales, thanks to the tv network's Super Bowl ad sales, the impact on prime time sales that its improved demographic ratings were having and cost control measures. Strong sales at the owned-and-operated tv stations group were also reported.

At the end of the 1982-83 prime time season, A.C. Nielsen Co. measurements showed NBC with an average 15.1 homes rating, 2.6 points behind No. 2 ABC and 3.1 points behind leader CBS. While the network remained the prime time also-ran, NBC executives indicated they were pleased at having held even with the 15.1 average in the 1981-82 tv season, while ABC dipped 2% from an 18.1 average and CBS fell 4% from 18.9.

NBC's highest-rated series of the season turned out to be "The A Team," a midseason entry that managed to break ABC's hold on Tuesday nights. That was followed by "Hill Street Blues," "Little House: A New Beginning," "Real People" and "Facts of Life." NBC, however, had 14 of the 30 lowest-rated shows of the season.

As part of the trend toward more made-for-tv movies on network tv—pay cable is undercutting the appeal of the theatricals—NBC last season had seven tv movies that cracked the 30-share mark, tying ABC; CBS had 14 such tv films. Like the other networks, NBC has fared well with miniseries, and more are due next season.

NBC has also been faring well in late night and Saturday morning children's time periods, but it has been facing difficult competition in daytime, early morning and evening news.

With its Tom Brokaw/Roger Mudd anchor team, the network for the first time lost its second-place berth in the evening news averages for the 29-week span ending April 17. Its 11.6 share

The chain gangs

Top 10 newspaper groups by total U.S. daily circulation

Group	Headquarters	Daily circulation	Flagship
1. Knight-Ridder Newspapers	Miami	3,681,403	<i>Miami Herald</i>
2. Gannett Co.	Rochester, N.Y.	3,533,525*	<i>Rochester Times Union</i> , <i>Rochester Democrat Chronicle</i>
3. Dow Jones & Co.	New York	3,317,662	<i>Wall Street Journal</i>
4. S.I. Newhouse & Sons	New York	2,999,226	<i>Staten Island Advance</i>
5. Tribune Co.	Chicago	2,917,458	<i>Chicago Tribune</i>
6. Times Mirror Co.	Los Angeles	2,143,605	<i>Los Angeles Times</i>
7. E.W. Scripps Co.	Cincinnati	1,524,217	<i>Cincinnati Post</i>
8. News America Publishing	New York	1,366,188	<i>New York Post</i>
9. New York Times Co.	New York	1,255,309	<i>New York Times</i>
10. Cox Enterprises	Atlanta	1,251,138	<i>Atlanta Journal</i> , <i>Atlanta Constitution</i>

*Not including *USA Today*.

Sources: Audit Bureau of Circulations, six months ended March 31, 1983; Standard Rate & Data Service, Jan. 12, 1983; *Editor & Publisher Yearbook*, 1982; ADVERTISING AGE.

put it five-tenths of a point behind ABC's newscast. (NBC News presented 3,100 or so hours of tv and radio programming last year.)

But thanks to "Smurfs," "Shirt Tales" and "Amazing Spider-Man/Incredible Hulk" cartoons, NBC easily dominated Saturday mornings this past season—its first win in eight years; ABC was second, and CBS was in the unusual position of also-ran.

The 30-year-old "Today," the onetime early morning leader, has trailed ABC's "Good Morning America" for well over a year in the ratings. Now, CBS' "Morning News" has begun gaining, averaging a 3.6 rating and 16 share for the second quarter (from March 21 through April 24), compared with "Today's" 4.0 rating and 18 share.

The network, meanwhile, started two news-oriented shows last year, "Early Today" and "NBC Overnight."

In daytime, NBC's schedule has been hovering in the 4 and 5 rating range, compared with roughly 7 for its rivals.

Grant Tinker, chairman of NBC since mid-1981, and Brandon Tartikoff, NBC Entertainment president, have been leaning toward greater stability in prime time, with fewer abrupt schedule adjustments and more early renewals for series that have promising demographic numbers, if not always hot over-all household Nielsens. Examples of such early renewals for 1983-84 include "Cheers," "Silver Spoons" and "Knight Rider."

One segment of the network's offerings helped brighten the picture a bit. Of the three weeks of 29 that NBC managed to capture in the ratings, two came because of the network's sports coverage: The World Series coverage last October and the Super Bowl telecast of last January.

Meanwhile, the NBC-TV Stations division reported its 11th consecutive year of sales growth in 1982 and its third straight year of record profits.

NBC Radio's sales climbed 14% last year, but startup costs for new operations caused a decline in earnings. Like the other

major radio networks, NBC said it plans to convert to satellite transmission completely "by the end of 1983."

NBC's veteran radio network, at the end of May, boasted 380 affiliates, while The Source—aimed at the young adult segment—has 168 and Talknet has 135 stations.

RCA, which claimed sales leadership in the sale of videocassette hardware and Selecta-VisiOn videodisc hardware and software, widened its horizons last year via three home video ventures, two involving prerecorded videocassette programming in the domestic (U.S. and Canada) and global markets and one in pay cable. The vcr ventures—known as RCA/Columbia Pictures Home Video in North America and RCA/Columbia Pictures International Video abroad—involve a partnership with Columbia Pictures Industries. While the vcr and disc programming do not contain commercial messages thus far, various industry experts predict that this is a strong possibility.

RCA held a 50% interest in The Entertainment Channel, a pay cable service that operated at a loss last year and folded early this year, with only 50,000 subscriber homes. It had a programming identity problem in the cable industry, and a \$34 million pretax loss to show for its nine months of effort. Although the service, in which Arthur Taylor (onetime CBS Inc. president) and Rockefeller Center Inc. were partners, was announced for eventual return as an ad-supported service, industry sources said that is unlikely to occur.

MEDIA PROPERTIES

Broadcasting

TELEVISION: NBC-TV Network, with 214 affiliates. NBC-owned stations: KNBC, Los Angeles; WRC, Washington; WMAQ, Chicago; WNBC, New York; WKYC, Cleveland.

RADIO: NBC Radio Network, The Source Network, Talknet Radio. NBC-owned stations: KNBR (am) and KYUU (fm), San Francisco; WMAQ (am) and WKQX (fm), Chicago; WNBC (am) and WYNY (fm), New York; WRC (am) and WKYS

(fm), Washington.

OTHER OPERATIONS

CIT Financial Services, Hertz Corp., RCA Americom (satellite), RCA/Columbia Pictures International Video (home video), RCA consumer electronics division, RCA Records.

Reader's Digest Assn.

Reader's Digest Assn., Pleasantville, N.Y., is the country's 36th largest media company, with 1982 media property revenues estimated by ADVERTISING AGE at \$256.0 million, down 4% from AA's revised estimate of \$267.0 million for 1981.

In 1982, media revenues represented 20% of \$1.3 billion in total corporate revenues, compared with 22% of \$1.2 billion in 1981.

Last year's U.S. media revenues came from the U.S. edition of *Reader's Digest*, six issues of the now-defunct *Families* magazine and from Source Telecomputing, an electronic information service for personal computer users. *Reader's Digest* is estimated to have provided \$250 million of U.S. media revenues, or 97% of the company's total domestic media revenues.

RDA, whose voting stock is owned entirely by Lila Wallace, widow of *Digest* founder DeWitt Wallace, also derives revenues from foreign editions of the *Digest*, the publishing of books and educational materials and mail-order sales of recorded music and other products. Among the company's important new revenue sources is "The *Reader's Digest Bible*," which the company says has sold "extremely well."

Last November's *Digest* set a magazine industry record for a single issue, with \$13.2 million in ad revenues, breaking the mark set by the *Digest's* December, 1981, issue. The longer range results, for 1982 as well as the last several years, have been less encouraging. The magazine's ad revenues last year fell 7.1% to \$104.9 million, causing the *Digest* to drop to No. 9 from No. 7 among all U.S. magazines in ad

revenues, according to the Publishers Information Bureau.

Ad pages dropped 14% to 1,093 from 1,271. Last year's ad page total was down 27% from 1,502 pages five years ago—the most ever for the publication—and was the *Digest's* smallest number of ad pages since 1975.

The *Digest* was given a big boost by a 40-page Chrysler advertising section in the May, 1983, issue, which is believed to be one of the two largest ad sections in the magazine's history. Nonetheless, the magazine's ad revenues through May were \$40.1 million, down 6.4% from the same period in 1982. Ad pages, including the Chrysler pages, totaled 409, down 8.9%. The 1983 figures are publisher's estimates provided by RDA.

Richard McLoughlin, *Digest* publisher, said ad pages may be up slightly for the year. Lynn Mapes, ad director, estimated that each issue in the second half of the year will have more pages than the corresponding year-ago issue.

To offset the recent decline in pages, the *Digest*, like other magazines, has been increasing ad rates. The *Digest* gets more for a page of advertising than any other magazine, and with its January, 1983, issue it became the first magazine to break the \$100,000 level for a four-color full-page ad, raising its rate 6% to \$103,600 from \$97,700.

U.S. circulation of the *Digest* appears to have peaked—by design because of the cost of additional circulation, magazine officials suggest—at 17.9 million, the largest of any U.S. magazine. Its guaranteed circulation to advertisers has remained unchanged at 17.75 million for years.

Its "Tulsa is driving the networks nuts" ad campaign, launched early this year, is one of the magazine industry's more vigorous efforts to capitalize on the falloff in network tv viewership. The campaign is based on a study showing that in Tulsa, Okla., which RDA says is both representative and predictive, magazine readership—unlike network tv viewing—holds steady despite the increased availability of cable tv. Mr. Mapes said *Digest* readership actually increased a bit in Tulsa, according to a follow-up study commissioned by the magazine.

An RDA spokesman said it wasn't possible to determine how many advertisers have turned to the *Digest* specifically because of its Tulsa campaign, but he said the *Digest* has received more than 500 requests for the study from agency and advertiser people "at decision-making levels."

Increasing the *Digest's* advertising power may constitute the bulk of RDA's near-term aggressiveness in magazines. Some industry observers believe that what other plans it may have had in magazines were dealt a serious blow—as was the company's pride and confidence—by the failure of *Families*, the company's first new U.S. magazine.

In the euphoric *Families* test period, company officials hinted that a successful *Families* might lead to a number of other new magazines. Having to scrap

By Larry Doyle

If the life of Ann Berk, vp-advertising, publicity and promotion with NBC-TV Network, were a novel, the dust jacket might read: "Outwardly, she is the ideal New Woman. She seems to juggle the demands of a career, a child, a lover, a home with ease. . . . Young enough to have caught the wave of the women's movement and ridden it to success as a television executive, Ann is drawn by a deeper, older and conflicting summons, the instinct to nurture."

Ann has been changed to Diana, but otherwise, that is exactly what it says on the inside cover of Ms. Berk's first novel, "Fast Forward," she says, "is fiction, but the major character is very, very much like me in the way she thinks and feels and reacts."

Ms. Berk is something of a modern marvel herself. From leaving an agency in the early 1960s to work as copywriter for NBC Radio Network—"I preferred writing about people and not products," she says—to taking two years out of her career in the 1970s to have a child, Ms. Berk has managed nonetheless to hopscotch to the top of her field.

Until a month ago, Ms. Berk was the station manager for WRC-TV in Washington; she left that position to become vp-advertising, promotion and publicity for the entire NBC-TV Network. It would not be an unusual career if she were a man; it is unique because she is a

Larry Doyle is a writer in Chicago.

Families last June after just nine issues because of low readership may have made the company gun-shy about other start-ups, some speculate.

Mr. McLoughlin said it isn't so. "There's absolutely no thought in this company that we will not add additional magazines to the stable," he said.

For the moment, however, most of RDA's new-media interest seems to be in the electronic area. After a long search, its Source videotex subsidiary found an outside company to add both money and technological expertise to the struggling operation.

Two months ago, Minneapolis-based Control Data Corp. agreed to invest an undisclosed amount in Source in return for two of the venture's five directorships and a share of the profits, when and if they materialize. RDA retains controlling interest in the McLean, Va., unit, which it acquired in 1980, a year after Source was founded.

According to one published report, which RDA will not comment on, Source lost \$5 million to \$7 million on revenues of just \$6 million to \$8 million in the fiscal year that ended last July 31. At that time, the company

woman.

Yet Ms. Berk resists efforts to categorize her as a "symbol" of the women's movement. Her success in advertising and



Berk: Writing becomes a thing you cannot not do.

broadcasting is a result of "a lot of hard work, a lot of creativity and a lot of hours;" it is not something she accomplished in spite of being a woman.

This is an exciting, a hectic, a joggling time for Ms. Berk. With her first book being published by Doubleday this month, she also is trying to settle into her new NBC position, is moving child, dog, cat and caboodle to New York and is searching for the right school for her 12-year-old daughter, Melinda.

Up until a month ago, she held a second job as well, remaining as station manager of WRC-TV until a replacement for her could be found.

As a single parent and network executive, Ms. Berk is finding the transition difficult. "If I were a man," she says, "I

would have a wife to take care of all the details. As it is, it's just me and my daughter."

Yet she manages. And her secret to success is a relatively simple one: "I don't know," she says.

"I honestly don't know how it all gets done."

This idea is central to Ms. Berk's philosophy, it seems, that the demands of a career and home on a working woman create a situation that would be called impossible if not for the fact it existed. Women who pursue careers but at the same time are unable or unwilling to give up their home lives, "end up with this wildly expanded list of priorities where everything is of equal importance, forcing them to perform a balancing act just to keep their lives together," she says.

"Fast Forward" acts this out as fiction, but it is not the first time Ms. Berk has expressed these feelings.

In September, 1980, while the first female station manager of a network-owned tv station and consequently one of the more successful career women of her generation, she wondered in a *Newsweek* "My Turn" column if the early feminists knew what they were getting her into.

The "Modern Woman's Double Life" article in *Newsweek* came about, Ms. Berk says, "out of frustration. I had been reading so many articles about what it was like to be the modern marvel, the new woman, and every time I read them I didn't relate to them, my reaction was, 'That's not it at all.'"

Her readers apparently agreed, and Ms. Berk says she

got more than 1,000 letters in response to the *Newsweek* article and phone calls from all over the country. "One of the phone calls," she says, "was from a literary agent who was on an airplane, read the article, and said, 'Wait a minute, this woman's a writer. Nobody has said this about women. This could be a novel.'"

Thus encouraged, Ms. Berk produced the first 50 pages of a novel, which her agent brought to Kate Medina, an executive editor at Doubleday. "We gave her a contract based on that," Ms. Medina says, "which is something we hardly ever do."

Having a contract for a novel, of course, only further complicated Ms. Berk's life. She could not be a night writer as many aspiring novelists are, because "I'm a single parent and when I come home after work I want to spend time, I need to spend time with my daughter." Instead, she says, "what I've been doing is writing on weekends, getting up very, very early in the morning and writing at seven hours a stretch."

Ms. Berk says she plans to continue this routine when she moves to New York. She is already working on a second novel.

And why, in the face of one of the more demanding jobs in advertising—promoting and publicizing NBC—and moving to a new locale with a daughter verging on adolescence, would Ms. Berk continue to add writing to her juggling agenda?

Her answer for that is simple, too. "After a while," she says, "it becomes a thing you cannot not do."

Rodale Press

Rodale Press, Emmaus, Pa., the nation's 100th largest media company, had media revenues of \$67.0 million in fiscal 1982, which ended July 31. That represented 70% of the company's total revenues of \$96.0 million for the year and reflected a hefty 22% increase over the \$55.0 million in media revenues recorded in 1981, when media operations accounted for 65% of \$85.0 million in total revenues.

For fiscal 1983, Rodale expects to top the \$100 million mark in total revenues.

Among its nonmedia operations, Rodale's book publishing division reported \$28 million in revenue in fiscal 1982, down \$1 million from 1981, while miscellaneous revenue remained around the \$1 million level.

The privately owned company, founded more than four decades ago by the late J.I. Rodale, continues to place its publishing emphasis on health and well being.

Rodale's publications include the firmly entrenched *Prevention*, reportedly the largest health magazine in the world, with circulation now up to 2.5

million. A full-color health and beauty section was added to *Prevention* in September.

Organic Gardening, devoted chiefly to ways to grow foods naturally and process them as well, retained a 1.35 million circulation mark. Bicycle buffs now have a choice of two Rodale-owned publications, *Bicycling* and the newly launched "Bike Tech" newsletter.

Bicycling, which addresses the industry and consumers through articles ranging from repair to pleasures of cycling, now also serves the readers of *American Cyclist*, a beginner-oriented publication purchased by *Bicycling* in late 1982. *Bicycling*, published nine times yearly, closed a record April issue, which featured 114 advertising pages among a total of 208 pages.

"Bike Tech," which made its debut last June as a *Bicycling* spinoff, deals with more technical coverage of the industry.

New *Shelter*, Rodale's magazine for do-it-yourselfers and home improvement specialists, recently increased its rate base to 650,000, nearly triple the circulation it reported when it was initiated in 1980.

Another large circulation jump involved *Spring*, Rodale's

women's service magazine, which had a kickoff run of 250,000 with its first issue in April, 1982, and claimed 400,000 circulation by October.

However, in late 1982 Rodale dropped plans to make *Spring* a monthly, choosing a nine-times-a-year cycle instead.

Noting that Rodale does not accept tobacco and alcoholic beverage advertising, the company doubles up on those months in which liquor and tobacco provide other books with substantial advertising. This nine-time frequency is the same as our quite successful *New Shelter* and *Bicycling*."

Other Rodale publications include *New Farm*, an agriculturally oriented magazine, and "Executive Fitness Newsletter" and "Body Bulletin," aimed at executives and employers.

Once limited almost exclusively to subscriptions, some Rodale magazines now are distributed through single-copy sales.

Circulation growth for the company's publications remains "very healthy," says Sandy Beldon, group vp of Rodale Press. "Even in the light of a downturn in the economy, media buyers tend to look for efficiencies, and our magazines offer such efficiencies."

The book publishing division continues to market from 35 to 40 books annually. In the electronic publishing division, a Rodale-produced "Home Dynamics" series was licensed this year to Cable Health Network.

Rodale also was a participant in Knight-Ridder Newspapers' videotex testing and plans to provide information for K-R's videotex launch this year in Miami.

MEDIA PROPERTIES

Electronic publishing
"Home Dynamics," programming for Cable Health Network.

Magazines

Bicycling, *New Farm*, *New Shelter*, *Organic Gardening*, *Prevention*, *Spring*.

Newsletters

Bike Tech, Executive Fitness, Body Bulletin.

OTHER OPERATIONS

Book publishing.

Rogers-UA Cablesystems

Rogers-UA Cablesystems, Westport, Conn., is the nation's 78th largest media company, with 1982 revenues of \$107.0 million and operating profit of \$38.0 million, all in cable operations, compared with revenues of \$77.8 million and operating profit of \$26.7 million in 1981.

While the company added no new cable franchises during 1982, its subscriber base rose to 630,000 from 569,000 in 1981, ranking Rogers-UA as the ninth largest multiple system cable operator in the U.S.

Only six months after the company became a joint venture of Rogers Cablesystems of Toronto and United Artist Theater Circuit (UATC) Nov. 19, both parent companies have agreed in principle to sever the partnership and divide the assets of

Rogers-UA. Final resolution of the splitting of assets is expected sometime this August.

Robert Rosencrans, president of Rogers-UA, said the two parent companies, after working with each other, discovered they each had different objectives and that the partnership "just didn't mesh."

The dissolving of the current joint venture is the latest chapter in the brief but stormy history of the company. Last year, UATC, UA-Columbia's largest shareholder, fended off repeated takeover attempts by a group led by Dow Jones & Co. and Knight-Ridder Newspapers. UA-Columbia at first approved a \$265 million takeover offer from Dow Jones-Knight Ridder, only to have that decision reversed by UATC last June. UATC then formed its joint venture with Rogers Cablesystems, with UATC paying an additional \$63 million to increase its holdings in the company to 49%. Rogers Cablesystems, the largest cable operator in Canada, paid \$152 million for 51% of the joint venture stock.

The pending corporate divorce was caused in part at least by the financial troubles of the Rogers parent company. Rogers Cablevision operations in 1982 resulted in a loss of \$13.3 million, while losses for the first half of the current fiscal year, ended Feb. 28, were \$7.8 million.

Nevertheless, the Toronto-based parent company expected revenues during this fiscal year to reach \$340 million, compared with \$244.4 million in last fiscal year. Prospects looked good for the company, however, in its marketing of pay cable services, new to Canada this year. Graham Savage, vp-financial planning with Rogers, said recently in a speech before Canadian financial analysts in Toronto that the company expects at least 40% pay subscription penetration in its basic cable subscriber base of 1.4 million. Rogers is now preparing a proposed division of assets with UATC on the Rogers-UA properties.

MEDIA PROPERTIES

Cable/video

U.S. Cablesystems, serving CALIFORNIA: Huntington Beach (50% interest), La Mirada, Rossmore. MINNESOTA: Minneapolis (southwest suburbs, 75% interest). NEW YORK: Syracuse (67% interest). OREGON: Portland (50% interest). UA-Columbia Cablevision, serving ARIZONA: Summerton, Yuma, Yuma Proving Ground. ARKANSAS: Bay, Bonanza, Fort Smith, Greenwood, Hackett, Jonesboro, Lake City, Sebastian County. CALIFORNIA: Brawley, Calexico, El Centro, Holtville, Imperial, Westmoreland. COLORADO: Aspen, Basalt, Rifle, Snowmass. FLORIDA: Fort Pierce, Vero Beach. KANSAS: Crawford County, Marysville, Pittsburg. MASSACHUSETTS: North Attleboro, Taunton. NEBRASKA: Beatrice. NEW JERSEY: Allendale, Bloomingdale, Bogota, Butler, Cedar Grove, Clifton, Elmwood Park, Garfield, Glen Rock, Hackensack, Haledon, Hasbrouck Heights, Hawthorne, Hillsdale, Hohokus, Kinnelon,

Lincoln Park, Little Falls, Lodi, Maywood, Midland Park, Montville, North Caldwell, North Haledon, Nutley, Oakland, Paramus, Park Ridge, Passaic, Pequannock, Pompton Lakes, Prospect Park, Ramsey, Ridgewood, Ringwood, Riverdale, River Edge, Rochelle Park, Saddle Brook, South Hackensack, Teaneck, Totowa, Upper Saddle River, Waldwick, Wanaque, Wayne, Washington, West Paterson, Westwood, Woodridge, Wyckoff. NEW YORK: Ardsley, Bellport, Bronxville, Brookhaven, Dobbs Ferry, Eastchester, Greenburg, Lake Grove, New Rochelle, Patchogue, Pelham, Pelham Manor, Scarsdale, Tuckahoe, White Plains. OKLAHOMA: Arkoma, Krebs, McAlester, Muldrow, Ronald, Sallisaw. OREGON: Hermiston, Pendleton, Pilot Rock. TENNESSEE: Fayetteville, Giles County, Lawrenceburg, Pulaski. TEXAS: Balcones Heights, Balingier, Bexar County, Cibolo, Converse, Fort Sam Houston, Gainesville, Hill Country Village, Hollywood Park, Kirby, Laredo, Leon Valley, Live Oak, Mount Pleasant, Mount Vernon, Miles, Pittsburg, Randolph Air Force Base, San Angelo, San Antonio, Schertz, Selma, Universal City, Windcrest, Winters. WASHINGTON: Kennewick, Pasco.

Rollins Inc.

Rollins Inc., Atlanta, is the nation's 97th largest media company, with media property revenues of \$69.2 million in 1982, or 13% of \$526.5 million in total revenues. This represented an 11% increase over the \$62.1 million in media revenues the company recorded in 1981, when media operations accounted for 14% of \$454.6 million in total revenues. Over that period, media operations maintained operating profit margins at 29%, with operating income increasing by 10% to \$20.1 million.

The publicly owned company's primary business is termite and pest control, but it has diversified to include services to oil and gas fields and burglar protection for homes, as well as media ownership. The media operations comprise cable systems in a four-state area, outdoor advertising facilities in the Northeast and the Southwest, three vhf television stations, one fm radio station and five am radio stations.

During the last year, the company expanded its cable tv franchises to cover 25 communities in Delaware, Connecticut, Massachusetts and Rhode Island. With a total of 134,000 basic subscribers, Rollins ranks as the 35th-largest multiple system operator (mso) in the nation. Its Wilmington, Del., franchise, with 73,000 basic subscribers, ranks as the 25th-largest cable system.

The company said it has filed for additional cable franchises in Massachusetts, Rhode Island and Pennsylvania and that other applications are being contemplated.

In January, Rollins was among the many companies that bid for Philadelphia's four fran-

chises of 155,000 homes each at the urging of the city council.

The contest for the Philadelphia franchises is not going to be simple for Rollins. Financial statements made by Rollins about its debt capital and capital expenditures are inconsistent.

On the programming front, Rollins has captured the fancy of the industry with its recent experiment in Wilmington, where it has asked its subscribers to cast a vote for the programming service they would like to see the most.

The company will provide a ballot with 10 possible choices to its subscribers in the May bill and will ask them to choose one of the services.

While a number of the companies participating in the ballot are skeptical of the subscribers' ability to make the proper choice, Rollins is confident about the outcome.

Quite apart from cable are the company's radio and tv stations. Stations WPTZ, Plattsburgh, N.Y./Burlington Vt. (an NBC affiliate), and WEAR, Mobile, Ala./Pensacola, Fla. (ABC), both showed increased revenues. In the process they also expanded their local sales staff.

By contrast the radio properties instituted exhaustive expense reduction programs in order to improve productivity during fiscal 1982.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WEAR, Mobile, Ala./Pensacola, Fla.; WPTZ, Plattsburgh, N.Y./Burlington, Vt.; WCHS, Charleston, W.Va. RADIO: KDAY (am), Santa Monica, Cal.; WAMS (am), Wilmington, Del.; WBEE (am), Harvey, Ill.; WRAP (am), Norfolk/Portsmouth, Va.; WCHS (am) and WBES (fm), Charleston, W.Va.

Cable/video

Rollins Cable Vue, serving CONNECTICUT: (90% interest) Branford, Guilford, Madison, New Haven, North Branford, North Haven, Wallingford. DELAWARE: Elsmere, Newark, Newcastle, Newcastle County, Newport, Wilmington. MASSACHUSETTS: (90% interest) Andover, Danvers, Dracut, Franklin, Plainville, Millis, North Reading, Norton, Somerset, Swansea. RHODE ISLAND: Central Falls, Cumberland, Lincoln, Narragansett, North Kingstown, North Smithfield, Smithfield, South Kingstown, Woonsocket.

Sammons Communications

Sammons Communications, Dallas, is the nation's 93rd largest media company, with revenues in 1982 of \$81.0 million, all in media. This represented an increase of 35% from the \$59.9 million in revenues recorded in 1981. The company is a wholly owned subsidiary of the privately owned Sammons Enterprise.

Nearly all of Sammons' revenues come from the operation of its cable systems. While it does operate the Sammons Informa-

tion Service for the marketing of Dow Jones & Co.'s information service to its many cable subscribers, as well as Sammons Productions for the creation of programming for pay, the revenues from both these units have been minimal, said Jim Roseen, a company spokesman.

Sammons is the nation's 13th largest multiple system operator, with systems in 21 states. At last count, it had 543,321 basic subscribers. Of these, nearly 360,000 also subscribed to pay services. Sammons' basic subscribers as a percentage of total homes passed by cable is one of the highest for all cable operators in the country. However, it ranks low in the list of pay subscribers as a percentage of homes passed.

One large franchise, Fort Worth, Tex., in which Sammons has a 60% interest, continues to undergo construction. Sammons and 14 local investors won the 160,000-home franchise in 1981, and parts of it have been completed.

The company said it already has 23,000 basic subscribers and expects to add another 50,000 in the coming years.

Although many of the major companies have continued to expand through aggressive franchising or acquisitions, Sammons has been relatively inactive in 1982. Both its basic and pay subscriber count increased during the year, but the company did not add any new systems.

However, the company continues to be in the market for acquisitions. "If the right one came along we'd go for it," Mr. Roseen said.

Last year, the company entertained extensive plans for the development of its production unit and its marketing unit for information services. However, the plans have since been given a lower priority.

MEDIA OPERATIONS

Cable/video

ALABAMA: Lannett, Moulton, Russellville. CALIFORNIA: Ceres, Glendale, La Crescenta, Sylmar, Turlock, Whittier. CONNECTICUT: Waterbury. FLORIDA: Live Oak. GEORGIA: West Point. ILLINOIS: Dwight, Jacksonville, Ottawa, Pontiac, Streator. INDIANA: Logansport. IOWA: Estherville, Gracettinger. KENTUCKY: Middlesboro. LOUISIANA: Vidalia. MISSISSIPPI: Brookhaven, McComb, Natchez. MISSOURI: Neosho. NEW JERSEY: Dover, Morristown, Pleasantville. NEW YORK: Cortland, East Hampton, Gloversville, Penn Yan, Wellsville. NORTH CAROLINA: Black Mountain, Canton, Clyde, Montreat, Waynesville. OKLAHOMA: Clinton, Elk City. PENNSYLVANIA: Easton, Emmaus, Falls Township, Harrisburg, Oil City. TENNESSEE: Bristol, Elizabethton, Johnson City, Morristown, Newport. TEXAS: Benbrook, Borger, Fort Worth, Highland Park, Pampa, University Park. VIRGINIA: Covington, Petersburg. WASHINGTON: Ephrata, Moses Lake, Othello. Also, Sammons Information Service, Sammons Pro-

E.W. Scripps Co.

E.W. Scripps Co., Cincinnati, is the 18th largest U.S. media company, with 1982 media revenues of \$575.0 million, or 91% of of \$631.9 million in total revenues. In 1981, media revenues were \$500.0 million, also 91% of total revenues of \$550.0 million. Both revenue figures represented a 15% increase over 1981.

All figures for the privately held company, most of which is owned by the Scripps family trust, are estimated by ADVERTISING AGE. Scripps-Howard Broadcasting of Cleveland—listed separately in this issue—is the only publicly held subsidiary of E.W. Scripps, which owns 75% of the company. Other subsidiaries include Scripps-Howard Newspapers; United Media Enterprises, parent company of United Features Syndicate and Newspaper Enterprise Assn. (both feature services); community weekly newspapers, and area business publications.

During the past year, E.W. Scripps has been busy divesting itself of properties, consolidating its divisions and reorganizing its corporate management structure. The March, 1982, sale of the United Press International (UPI) wire service to Media News Corp. has resolved much of the company's operating problems, said Edward W. Estlow, E.W. Scripps' president. "Now we intend to be considerably more aggressive in acquisitions in all media and allied and contiguous fields," he said. "Like everyone else, we're currently working on an acquisition."

Besides selling UPI, E.W. Scripps sold its weekly newspapers in suburban Louisville, Ky., last October to William Matthews, who had been editor and general manager of the publications the three years that E.W. Scripps had owned them. Mr. Estlow blamed the economic times for the decision to sell. However, the Scripps-Howard Web Press Co., which composes, prints and mails newspapers and newspaper inserts for various clients, will continue under the E.W. Scripps banner in Louisville.

Of the company's 16 dailies, which boast a total circulation figure of 1.16 million, the *Rocky Mountain News* in Denver is both the largest and the fastest growing. Current daily circulation stands at 324,320, an increase of 4% over a year ago. It is outdistancing the *Pittsburgh Press*, E.W. Scripps' second-ranking paper, which has a daily circulation of 255,482.

The *Rocky Mountain News*' success is fueled by its competition with the *Denver Post*, a Times Mirror Co. publication. Besides competing on a business level, both papers have been reporting on a story concerning the former editor of the *Rocky Mountain News*, Michael Balfe Howard, and his alleged use of police officers as bodyguards and even more extensive coverage of his alleged use of cocaine and alcohol.

Outside its newspaper operations, the *News* is a joint-venture partner with Mile Hi Cable-

vision (owned by Time Inc.'s American Television & Communications, the Daniels Co., and local Denver investors) in planning Denver's new 108-channel cable tv programming. Parent E.W. Scripps plans to become a limited partner in the actual ownership of the system, which is projected to reach 220,000 homes. Details of that agreement are still being worked out.

Another E.W. Scripps development in cable is its joint-venture agreement with Tele-Communications Inc. in the forma-

tion of a new company, called Tele-Scripps. Besides selling advertising for cable programs in the Tennessee area, Tele-Scripps plans to reach 500,000 cable tv households in the tri-state area surrounding Pittsburgh via an interconnect linkup of area systems. Most recently, Tele-Scripps announced plans to organize a sports network.

On Oct. 5, Scripps-Howard News Service was merged with United Media Enterprises' Independent News Alliance. The newly combined news-features

service is designed to emphasize news analysis, investigative reporting and editorials rather than spot news coverage.

The E.W. Scripps business publications subsidiary, Cordovan Publications, continued to publish its 12 business journals, increasing total circulation to 120,000. E.W. Scripps said it plans to continue expansion of its business press holdings.

MEDIA PROPERTIES Newspapers (dailies)

ALABAMA: *Birmingham Post*

HERALD. CALIFORNIA: *Fullerton Daily News Tribune*. COLORADO: *Rocky Mountain News* (Denver). FLORIDA: *Hollywood Sun-Tattler*, *Stuart News*. INDIANA: *Evansville Press*. KENTUCKY: *Kentucky Post* (Covington). OHIO: *Cincinnati Post*, *Columbus Citizen-Journal*. PENNSYLVANIA: *Pittsburgh Press*. PUERTO RICO: *San Juan Star*. NEW MEXICO: *Albuquerque Tribune*. TENNESSEE: *Knoxville News-Sentinel*, *Memphis Commercial Appeal*, *Memphis Press-*

NEEDABLE.

HOIST YOUR SALES WITH A MEDIA LEADER

Just across the Hudson from New York, there's a suburban newspaper that many astute media buyers regard as metropolitan.

The Record, New Jersey's largest evening newspaper, is the flagship of the 84th largest media corporation in the country.

It takes clout to climb to the top 100. The Record has it, outsailing all other media in \$10.7 billion Bergen County.

This year, The Record's dominance in Bergen helped distinguish it as Number One in lineage among all of the nation's evening and Sunday combination newspapers, measured by Media Records. It adds up to a staggering

52,307,644 total lines of full-run advertising.

The Record combines editorial excellence and the most advanced color capability in the industry to fulfill all its reader needs and advertising wants.

All of the above facts can be confirmed with a call to Bernard Schraer, advertising director - 201/646-4259 - or the Sawyer-Ferguson-Walker Company, national representative.

The Record
NEW JERSEY'S LARGEST EVENING NEWSPAPER

Scimitar. TEXAS: *El Paso Herald Post*.

News service

United Media Enterprises, parent of United Feature Syndicate, Scripps-Howard News Service. (Subsidiaries of United Features include TV Data and TV Watch listing services).

Newspapers (nondailies)

Cordovan Corp. business publications—*Atlanta Business Chronicle*, *Dallas-Fort Worth Business*, *Houston Business Journal*, *Los Angeles Business Journal*, *Miami Business Journal*, *Phoenix Business Journal*, *Pittsburgh Business Journal*, *Rocky Mountain Business Journal*, *San Diego Business Journal*, *San Francisco Business Journal*, *Seattle Business Journal*, *Washington Business Journal*. Also, papers in the following locations—CALIFORNIA: Southern California Publishing Co., *Alhambra Post-Advocate*, *Anaheim Hills Journal*, *Brea Advocate*, *Commerce Tribune*, *East Los Angeles Gazette*, *East Los Angeles Tribune*, *Fullerton Forum*, *La Habra Advocate*, *Montebello News*, *Monterey Park Progress*, *Pico Rivera News*, *Placentia Journal*, *Santa Fe Springs News*, *South San Gabriel/Rosemead Progress*, *Post Advocate/San Gabriel Progress*, *West Whittier Independent*, *Yorba Linda Journal*. FLORIDA: *Jupiter Courier-Journal*, *Jupiter Courier-Journal News Shopper*, *Stuart-Port St. Lucie Shopper*. INDIANA: *Sunday Courier and Press* (Evansville). KENTUCKY: *Grant County News* (Williamstown), *Kentucky Standard* (Bardstown).

OTHER OPERATIONS

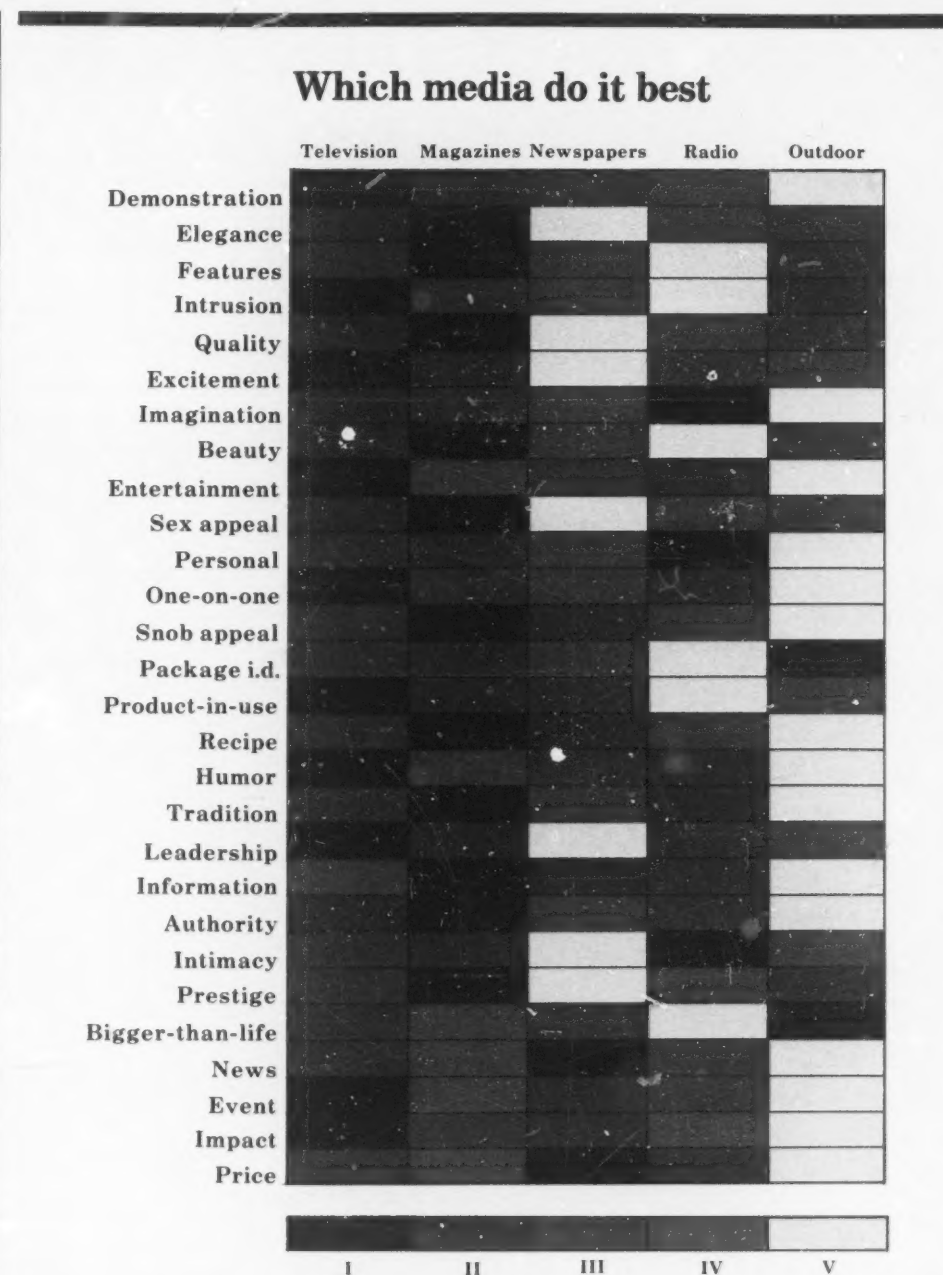
Berkley-Small (newspaper circulation supplies); SCW Inc. (advertising art and copy services); Scripps-Howard Supply Co., (supplier of newsprint and equipment used by Scripps-Howard newspapers).

Scripps-Howard Broadcasting Co.

Scripps-Howard Broadcasting Co., Cleveland, is the nation's 83rd largest media company, with revenues of \$95.6 million, representing a 10% increase from \$87.3 million in 1981. The company derives all of its revenue from media operations.

Net income before a cumulative effect of change in accounting principle increased 11.3% in 1982 over 1981 to \$19.5 million. If next year's revenues proceed at the same rate, the publicly owned company expects to surpass the \$100 million mark for the first time in its history. Scripps-Howard Broadcasting is 75% owned by E.W. Scripps Co. (see separate listing).

A total of 87% of the company's operating revenues came from television in 1982, reflecting a continuing downward trend (90% in 1981, 93% in 1980 and 95% in 1979) as the company seeks to diversify. "Tv is always going to be the major thing. But being in cable and having more radio stations is our way of diversifying," said company president Donald L. Perris.



Source: NH&S/USA

A study conducted by NH&S/USA orders media by its quality, rather than traditional quantitative measures, for delivering particular messages to an audience.

Throughout 1982, Scripps-Howard diligently extended its cable operations. Continued major acquisitions are planned for 1983 and beyond. The company currently owns and operates cable systems in California, Colorado and Florida and holds about a 50% interest in Ann Arbor, Mich., and Connecticut-based systems. On March 1, Scripps-Howard Cable Co., the cable subsidiary of Scripps-Howard Broadcasting, together with partner Charles F. Dolan, a major cable developer, signed an agreement to acquire the Southern Connecticut Cablevision system, which currently passes 95,000 homes in the Bridgeport area. At present, the system serves 43,000 subscribers but is expected to reach an estimated 55,000 at maturity.

Once the agreement is completed, the two Connecticut systems would become Scripps-Howard's largest single area of cable operations, reaching more than 250,000 homes. It would also be one of the country's larg-

est cable operations not located within a large city.

Scripps-Howard's cable system serving Tulare County, Cal., started up in April 1983. That was preceded in March by the startup of the Longmont, Colo., system, approximately 35 miles north of Denver. By year's end, a second Colorado cable operation, Lafayette Communications Corp., should be in operation. Scripps-Howard acquired the five franchises for the Lafayette area from Storer Communications.

Most of the Scripps-Howard's newly acquired or pending systems are located near or adjacent to its existing systems. Further expansion in cable, the company indicated, would follow the same format. This would allow large subscriber bases, which are attractive to advertisers.

Scripps-Howard is committed to looking for further acquisitions in cable. A revolving credit agreement with Chemical Bank for \$25 million should help it to

fund its cable endeavors throughout 1983.

On Jan. 1, Michael W. Callaghan, who has been with Scripps-Howard since 1972, was elected president of Scripps-Howard Cable Services Co., with headquarters in Wellesley, Mass.

Besides cable, another priority is Scripps-Howard's stronghold—television. The company currently owns and operates five vhf stations (the maximum allowed by law) and one uhf station. The company is seeking to acquire a second uhf station, which would bring it up to the legal limit of tv holdings. An acquisition, the company said, would likely be in a market larger than Kansas City, the home of its current uhf holding, KSHB.

Radio stations in large areas with growth potential are also under serious consideration, despite the company's sale in March, 1982, of WNOX, an am station in Knoxville, Tenn., for about \$794,000 to Mack Sand-

ers, who owns stations in that area. According to Mr. Perris, several factors influenced the Knoxville sale: Scripps-Howard owns a vhf television station (WMC-TV) and WMC-AM-FM in Memphis. In addition, parent company E.W. Scripps owns a newspaper in Knoxville (the *Knoxville News Sentinel*). Federal regulations, as a result, would prohibit Scripps-Howard from acquiring an fm station in the area.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WPTV, West Palm Beach, Fla.; KSHB, Kansas City; WCPO, Cincinnati; WEWS, Cleveland; KJRH, Tulsa, Okla.; WMC, Memphis, Tenn.

RADIO: KMEQ (am, fm), Phoenix, Ariz.; WBSB (fm), Baltimore; KUPL (am, fm), Portland, Ore.; WMC (am, fm), Memphis, Tenn.

Cable/video

CALIFORNIA: Tulare County. COLORADO: Lafayette, Longmont. CONNECTICUT: Lower Fairfield County (49% interest). FLORIDA: De Bary, Lake County, Leesburg. MICHIGAN: Ann Arbor (50% interest).

Seattle Times Co.

Seattle Times Co. is the nation's 75th largest media company, with estimated revenues in 1982 of \$116.5 million, all from newspaper properties. This represents a decrease of 1.5% from the \$118.3 million the company recorded in 1981.

The privately held company, owned by Seattle's Blethen family (50.5%) and Knight-Ridder Newspapers (49.5%), comprises the *Seattle Times* and the *Walla Walla (Wash.) Union-Bulletin*.

However, contributing to future revenues will be those generated in a joint operating agreement with Hearst Corp.'s *Seattle Post-Intelligencer*, approved in May by the Ninth Circuit Court of Appeals in San Francisco. The two big city dailies began operating jointly with the Sunday paper of May 22. The appellate court decision, however, is expected to be appealed before the U.S. Supreme Court.

Under the agreement, the two papers are combining their management, sales, production and circulation departments. The *Times* gets 66% of the revenues, the *P-I*, 34%.

The agreement also calls for the *Times* to drop its morning edition; the *P-I* is to have the weekday morning market to itself. The *Times* only recently forced most of its suburban and regional subscribers to take its morning edition (the paper had switched to all-day production in recent years after having been an afternoon-only daily).

Harold Fuhrman, general manager of the *Times*, expects that Sunday circulation should reach about 500,000 under the merged Sunday editions of the papers. But because the *Times* is dropping its morning edition, it will lose "some" daily circulation, said Mr. Fuhrman.

The *Times* may have to make other changes as well. Seattle has been invaded by total mar-

ket coverage operations. As for the *Times*, Mr. Fuhrman said, "We've looked at total market coverage and talked with some advertisers." But he declined to say whether his company has "definite plans" to enter the field. He did say the *Times* would probably use the technique by inserting a topper with the newspaper to reach subscribers and mailing copies of the circular to everyone else.

Meanwhile, ad lineage and circulation figures show that performance was essentially flat in 1982, compared with that of 1981. Total lineage for 1982 was 3,561,624, or 7% less than the 3,821,485 lines recorded in 1981. Lineage in the first quarter of 1983 dropped 3.2% from 783,427 in 1982 to 758,357.

Circulation likewise has decreased. According to Audit Bureau of Circulations figures for the six months ending March 31, the *Seattle Times* had a daily circulation of 249,653, down from 256,888 a year earlier. Sunday circulation also declined during the same period, dropping from 339,921 in 1982 to 338,582 in March.

In the area of new technology, the *Seattle Times Co.* and several other media concerns have agreements with Knight-Ridder to test K-R's much publicized Viewtron videotex system in their markets.

MEDIA PROPERTIES

Newspapers (dailies)

WASHINGTON: *Seattle Times*, *Walla Walla Union-Bulletin*.

Southern Progress Corp.

Southern Progress Corp., Birmingham, Ala., is the country's 80th largest media company, with estimated revenues from media operations of \$100.0 million in fiscal 1982, ended Nov. 30. This represented a 25% increase from the 1981 estimate of \$80.0 million in media revenues.

The privately held company declined to release total corporate revenues, but it is believed that the company's fastest-growing nonmedia division—its book publishing house—contributed substantial revenue during the last year.

Southern Living is the company's most profitable publication. It is widely held to be the most profitable regional magazine in the country. It may be the largest as well, serving a 16-state area in the South. Its current circulation rate base is more than 2 million. Revenues come half from subscriptions and half from advertising. During 1982 the subscription price was raised from \$16 a year to \$18 a year.

"And we don't offer any cut-rate subscriptions," says Emory O. Cunningham, president of Southern Progress and creator of *Southern Living*.

Accused by many of shunning coverage of controversial subjects, *Southern Living* is content to provide gardening tips, recipes, photos of stately Southern homes, profiles of Southern cities and towns, travel suggestions and the like—to further the pride of the South and its

beauty. It's a formula that has worked well for the 17-year-old magazine, as evidenced by its consistent growth.

Ad pages for fiscal 1982 were up by 51 over the previous year. According to Mr. Cunningham, for the first six months of fiscal year 1983, ad pages were already up by 25. Total pages grew to 3,114 in 1982 from 2,914 in 1981.

The company's flagship publication, *Progressive Farmer*, more than 95 years old, is a monthly received by 615,000 subscribers in the rural South. It emphasizes strong farm organizations, improved rural health facilities and more economical crop and livestock production. *Progressive Farmer* publishes five regional editions throughout the South, features reports on

cotton, soybeans, peanuts, pork and tobacco and includes a special section called "Country Living," a "life style" section for rural southern families.

Within the last two years the magazine has added subscribers in farming communities in the Midwest with a small demographic edition geared for corn and soybean producers.

The company's first national magazine publishing effort, *Decorating & Craft Ideas*, is also its fastest-growing magazine, and, according to Mr. Cunningham, it has experienced the largest growth percentage of all Southern Progress publications. Purchased from Tandy Corp. in 1975, *Decorating & Craft Ideas* now has a circulation of nearly 700,000 and has grown from

being published four times a year to 10. Plans call for it to be a monthly in 1984.

Southern Progress also produces a syndicated radio show through its *Progressive Farmer* network, which provides business news of agriculture. It is heard over 85 stations in Arkansas, Louisiana, Mississippi and Missouri—nearly double the 44 stations that carried it in 1981.

As the company moved well into fiscal 1983, Mr. Cunningham expressed confidence that the year would be Southern Progress' best yet. He believes the large migration to the Sunbelt has had marked influence on the company's publications, and all projections of the numbers of people to move

south "in reality are going to be greater" than predicted.

During the year, James E. De Vira was promoted to vp-publisher of *Southern Living*, from director of advertising, and Don Logan was promoted to vp-corporate development.

MEDIA PROPERTIES

Magazines

Decorating & Craft Ideas, *Delta Report*, *Destinations*, *Progressive Farmer*, *Southern Living*, *Southern Supermarket-ing*.

Broadcasting

Progressive Farmer Radio Network.

OTHER OPERATIONS

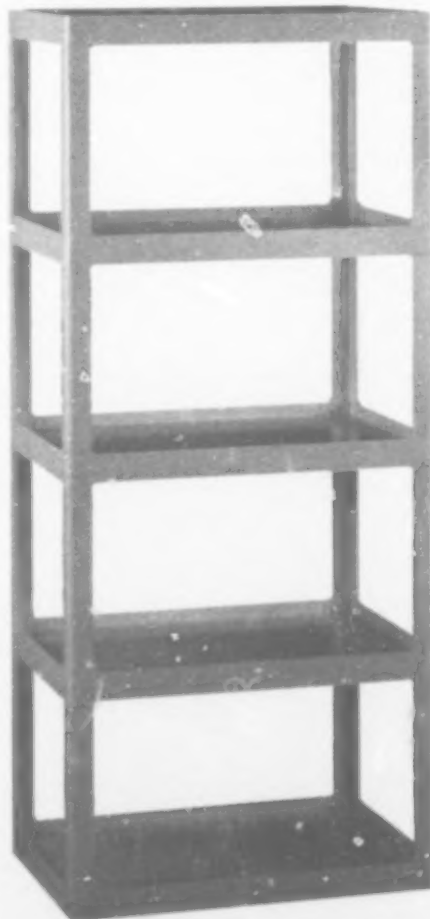
Ag Response, Akra Data, Oxmoor House book publishing,

For Wishbone our displays were a wish come true.

At Henschel-Steinau we produce a wide variety of practical and versatile stock units that can be easily adapted to the needs of companies like Lipton. Our skilled designers and engineers have customized these units into prize winning displays that are extremely effective at the retail level as well as offering these advantages:

- Eliminating the high costs and lengthy tooling time means fast delivery and better economy.
- Because of the wide variety of our stock units you can have the flexibility of custom design without the cost.
- Although ruggedly constructed for permanent use they are UPS shippable and can be set up and knocked down without tools.
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Storer Communications

Storer Communications, Miami, is the 22nd largest media company in the country, with revenues in 1982 of \$379.3 million, all generated by the company's cable and broadcast operations. The total is an increase of 37% from 1981 revenues of \$276.4 million. Of this figure, broadcast stations accounted for 41% and cable communications, 59%.

A change of corporate name (formerly Storer Broadcasting Co.) and a move to new corporate headquarters in northeast Miami last year were part of some new operating philosophies that have taken hold at the publicly held company. Storer forthrightly said it is cooling its cable franchise expansion and is declaring a new *modus operandi*. It has entered an "operational mode" and the focus is on increasing the "effectiveness and efficiency" of all company interests.

Storer owns and operates seven television stations and holds franchises to provide cable communications service to 630 communities in 19 states. The company's cable systems served about 1.16 million basic subscribers in 1982 and passed 3.3 million homes in franchised areas.

Although 1982 was characterized as "a successful year," complete with "alltime high revenues," Storer did not escape a brush with the recession. The cable division's growth fell short of original projections (1.25 million subscribers) and net income for the year declined "by a significant amount." Reasons given for this were high prime interest rates and greater depreciation charges related to the cable expansion program. The company does, however, target 1.5 million subscribers for 1983.

Cable systems activated in fiscal year 1982 were in West Pasco, Fla.; Point Clear, Ala.; Kenton/Boone Counties, Ky.; Campbell County, Ky.; Tomball, Tex.; Carrollton, Tex.; South Dade County, Fla.; Florissant, Mo. (including St. Louis County); Bryant, Ariz.; Fort Lupton, Colo.; Villa Park, Cal.; Aloha, Ore.; Washington County, Ore.; Paradise Valley, Ariz., and Glendale, Ariz.

Average revenue per subscriber had its best year in 1982. Capital expenditures to support and encourage subscriber growth were at a record high as well—\$315 million. Of course, in keeping with this spending was a higher debt and interest expense level, something the company indicated it was looking to reduce.

In fact, higher interest expense, engendered by new cable systems construction, reportedly was to blame for a loss of \$11 million the first quarter of 1983. Revenue for that period was \$101.5 million, a 26% increase

over first-quarter 1982 revenues.

In May, 1982, about 18,000 basic cable subscribers to Storer systems in several Phoenix suburbs were treated to a dose of some new technology. At that time, R/G Cable, a new division of two newspapers—the *Arizona Republic* and *Phoenix Gazette*—offered its classified ad cable channel, R/G Vision Classified.

In Miami, Storer did some dabbling in new technology itself. Last summer, Storer Cable launched the first computerized fiber optic cable tv system, dubbed the MiniHub system. This was the first attempt by a cable system to use this type of technology. Fiber optics are seen as a means of realizing cost savings in cable operations.

Meanwhile, revenues and operating profits of the company's seven tv stations were at an alltime high in 1982. WAGA-TV in Atlanta and WSBK-TV in Boston turned in especially good performances in revenues and audience levels.

Also last summer, a news and talk am radio station, WELI in Connecticut, agreed to provide Storer Cable Tv of Connecticut hourly 60-second local news inserts. The concept was dubbed "radiovision."

MEDIA PROPERTIES

Broadcasting

TELEVISION: KCST, San Diego; WAGA, Atlanta; WSBK, Boston; WJBK, Detroit; WJKW, Cleveland and WTVG, Toledo, O.; WITI, Milwaukee.

Cable/video

Storer Cable Communications, serving ALABAMA: Montgomery, Prattville (includes Clanton and Sylcauga), Point Clear, Troy (includes Brundidge, Baldwin County, Fairhope, Geneva, Bay Minette, Daphne, Slacomb, Samson, Elba, Florida). ARIZONA: Ahwatukee (80% interest), Buckeye (80% interest), Glendale (80% interest), Mesa, Paradise Valley, Peoria, Phoenix, Surprise (80% interest). ARKANSAS: Little Rock (80% interest, includes Cammack Village), Bryant (80% interest). CALIFORNIA: Anaheim, Banning, Hermosa Beach, Manhattan Beach, Camarillo (80% interest), Fairfield (includes Solano County, Suisun), Fillmore (includes Santa Paula, Frazier Park, Moor Park), Laguna Beach (includes Orange County), San Clemente, San Juan Capistrano, Norcal (includes Sonoma, Napa Valley, Rohnert Park, St. Helena, Monterey), Ojai, Redwood, Roseville, San Mateo, Thousand Oaks/Westlake Village, Union City, Villa Park. COLORADO: Battlement Mesa, Fort Lupton, Louisville, Loveland. CONNECTICUT: Clinton (includes Old Saybrook, Durham, Haddam, Killingworth, Chester, Deep River, Essex, Westbrook), Groton (includes Ledyard, North Stonington, Stonington, Voluntown), New Haven (includes West Haven, Hamden). DELAWARE: Dover (includes Camden, Dover Air Force Base, Smyrna, Wyoming, Kent County), Rehobeth (includes Lewes, Rehobeth Beach), Seaford (includes Laurel, Blades). FLORIDA: Altamonte Springs (80% interest, includes Seminole County, Lake

Mary), Bartow (includes Fort Meade, Frostproof, Lake Placid, Lake Wales, Wauchula, Williston, Highlands County), Dade/Broward (includes Biscayne Park, El Portal, Miami Shores, Miramar, North Miami, North Miami Beach, Pembroke Park, Pembroke Pines), Dunedin (80% interest, includes Oldsmar, Tarpon Springs), DeFuniak Springs (includes Blountstown, Chipley, Chattahoochee), Hollywood (75% interest), Lehigh Acres, Pasco County (80% interest), Port Charlotte (includes Arcadia, North Port, Charlotte County, Punta Gorda), Sarasota (includes Longboat Key, Sarasota County). GEORGIA: Albany, Adel, Americus, Ashburn, Bainbridge, Camilla, Cordele, Cook County, Dawson, Dougherty County, Donalsonville, Moultrie, Nashville, Pelham, Sparks, Sylvester, Tifton, Tift County, Vienna. KENTUCKY: Boone County, Bowling Green, Campbell County, Jefferson County (80% interest, excluding Louisville), Kenton County, Newport. MARYLAND: Howard County (80.5% interest, includes Ellicott City), Northern Prince Georges County (80% interest, includes Greenbelt, Cheverly, New Carrollton), Pocomoke (includes Princess Anne, Snow Hill, Somerset County, Worcester County), Prince Georges County (85% interest, includes Hyattsville, Riverdale, Cottage City, Bladensburg, Mount Ranier, College Park, Berwin Heights, Landover Hills, University Park, Glenarden, Edmonston, North Brentwood, Brentwood, Colmar Manor), Salisbury. MINNESOTA: Bloomington, Fridley, northwest suburbs of Minneapolis (80% interest, includes Golden Valley, Plymouth, Brooklyn Park, Brooklyn Center, New Hope, Osseo, Robbinsdale, Crystal, Maple Grove), Minneapolis, St. Cloud (includes Sartell, Sauk Rapids, Stearns County, Waite Park), St. Louis Park. MISSOURI: Florissant (80% interest), Black Jack, St. Louis County Area A (80% interest). NEW JERSEY: Cinnaminson (80.3% interest, includes Delanco, Palmyra, Riverside, Riverton), East Brunswick, East Windsor, Eatontown (includes Allenhurst, Deal, Fair Haven, Fort Monmouth, Freehold Borough, Hazlet, Holmdel, Little Silver, Loch Arbour, Long Branch, Monmouth Beach, Oceanport, Red Bank, Rumson, Sea Bright, Shrewsbury Borough and Township, Tinton Falls, West Long Branch), Gloucester (93.3% interest, includes Woodbury, Clayton, Deptford Township, East Greenwich, Glassboro, Greenwich, Mantua National Park, Paulsboro, Wenonah, Westville, West Deptford, Woodbury Heights), Hackettstown (includes Lambertville, Washington Township, Mansfield, Mount Olive, Independence, West Amwell Township and New Hope, Pa.), Monmouth, Plainfield, Princeton area (80% interest, includes Plainsboro Township, Monroe Township, Spotswood, Cranbury Township, Helmetta, Jamesburg, South Brunswick Township), Willingboro (includes Burlington City and

Township, Westhampton, Edgewater Park, Delran, Beverly, Bordertown Township and City), Washington Borough (includes Franklin Township, Oxford Township, White Township, Liberty Township, Belvidere Township, Hampton Borough, Glen Gardner Borough, High Bridge Borough, Lebanon Township, Washington Township, Raritan). OREGON: Clackamas County, Washington County (includes Banks, Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Sherwood, Tigard, Tualatin). PENNSYLVANIA: Radnor. SOUTH CAROLINA: Charleston (90.4% interest, includes Berkeley County, Charleston Air Force Base, Charleston County, Colleton County, Goose Creek, Hanahan, Isle of Palms, Mount Pleasant, Naval Weapons Station, North Charleston, Sullivan's Island, Summerville Marine Corps Air Station, Walterboro). TEXAS: Alvin (includes Friendswood, Hillcrest Village, Pearland), Balch Springs (includes Seagoville, Dallas County), Bedford (80% interest, includes Blue Mound, Colleyville, Bules, Kennedale, Lake Worth, Richland Hills, Saginaw, Watauga), Carrollton (includes Addison, Hebron), Clearlake, Cleburne (includes Crowley, Edgecliff Village, Burleson), Colville, Copperfield, Forest Hill, Garland (includes Rowlett, Sunnyvale, Terrell), Grand Prairie (includes Cockrell Hill), Houston-Northeast (80% interest), Houston-Southeast, Lamarque (includes Texas City, Hitchcock, Bayou Vista Santa Fe, Omega Bay), Lancaster, League City (includes Dickinson, Baycliff, Kemah), Nassau Bay (includes Webster, Taylor, Lake Village, El Lago, Seabrook, Taylor Lake), Rockwall, Saginaw, Terrell (includes Forney), Tomball, Weatherford, White Settlement. VIRGINIA: Chesterfield County (80% interest), Fort Belvoir, Leesburg (85% interest).

Taft Broadcasting

Taft Broadcasting Co., Cincinnati, is the nation's 69th largest media company, with media property revenues totaling \$125.1 million for the year ended March 31, 1982, up from \$112.2 million in 1981.

Broadcasting and cable accounted for all of the company's media revenues, or about 35% of Taft's total revenues of \$358.2 million in fiscal 1982. Taft's seven tv and six am and fm radio properties contributed \$45.6 million in operating profit, or 61% of total corporate operating profit.

Taft's tv units generated \$95.7 million in revenue during the fiscal year, up 12% from the previous year, and its radio stations brought \$29.4 million in revenues, an increase of 9%.

Although fiscal 1983 concluded this March 31, for consistency the figures used to rank Taft in this issue are for fiscal 1982.

Taft's broadcast operations, however, continued to show similar increases in fiscal 1983. Together, radio and tv increased

13% to \$140.8 million, compared to a 12% increase for the media units from fiscal 1981 to 1982. Operating profit increased 19% compared to a 40% increase the previous year. Total revenues were \$381 million, a 6% increase from 1981.

In addition to its core broadcasting business, Taft has an entertainment division—which produces and distributes tv programming and makes motion pictures—and an attractions group, which owns four amusement parks and will open another in Houston in 1984.

Broadcasting, however, remains Taft's biggest interest, and it continues to invest heavily in that area. It owns its full complement of five vhf stations—in Birmingham, Ala.; Cincinnati; Columbus, O.; Kansas City, Mo., and Miami—along with uhf stations in Washington and Philadelphia.

In April, 1983, Taft completed the transaction that gave it a foothold in Miami—the nation's 13th largest market. Taft traded Boston-based General Cinema Corp., its Buffalo affiliate and \$70 million in return for WCIX-TV in Miami, a vhf independent.

Taft is pioneering in the broadcast of teletext at the local level. Its flagship station, WKRC in Cincinnati, began experimenting with it last July, and in January signed a five-year agreement with Zenith Radio Corp. giving that company the right to market decoders for its service, which uses the British-based World System Teletext.

When the Federal Communications Commission authorized the commercial broadcasting of teletext March 31, Zenith immediately began production, and Terry Connelly, Taft's vp-tv news, said the Zenith decoder should reach the market this month, marking the first time such equipment is available to U.S. consumers for under \$300.

WKRC teletext carries about 100 pages of news, sports, weather, business information, community events and movie listings—"in short, a typical daily newspaper," Mr. Connelly said. WKRC viewers can select the "page" of information they want to receive by using a handheld selector.

Plans call for the service eventually to become ad supported.

Teletext is a one-way service of printed information transmitted on the vertical blanking interval (an unused portion of the tv signal) that is discernable only to viewers who have proper decoders.

In 1981 Taft entered the cable market via a partnership with Tele-Communications Inc., Denver, and the group now owns 16 systems in Michigan and New England.

The joint venture, TCI-Taft Cablevision Associates, picked up eight systems in Michigan within the past year, but officials say they're not planning to extend beyond current boundaries.

TCI-Taft's 16 systems have 137,000 subscribers of which 62,000 are paid. By upgrading the systems, they hope to in-

crease penetration to 200,000.

Officials say the cable project probably won't turn a profit for another three to five years.

Taft got into the programming business in 1966 when it acquired Hanna-Barbera Productions, and it now owns seven companies that produce animated programming, live-action tv shows and theatrical films.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WBRC, Birmingham, Ala.; WCIX, Miami; WDAF, Kansas City, Mo.; WKRC, Cincinnati, and WTVN, Columbus, O.; WTAF, Philadelphia; WDCA, Washington.

RADIO: WDAE (am) and WYNF (fm), Tampa, Fla.; WDAF (am) and KYYS (fm), Kansas City, Mo.; WGR (am) and WGRQ (fm), Buffalo; WKRC (am) and WKRR (fm), Cincinnati, and WTVN (am) and WLWQ (fm), Columbus, O.; WDVE (fm), Pittsburgh.

Cable/video

Through TCI-Taft Cablevision, Taft owns 50% interest in the following systems: CONNECTICUT: Lakeville. MASSACHUSETTS: Cape Cod. MICHIGAN: Alpena, Battle Creek, Brighton, Charlevoix, Cheboygan, Muskegon, Niles, Ontonagon, Petoskey, Saginaw, St. Joseph, Ypsilanti. NEW HAMPSHIRE: Lebanon.

OTHER OPERATIONS

Four amusement parks, Black Entertainment Television (20%), Philadelphia Phillies baseball team (47.5%), Taft Entertainment Co., Taft-TCI Programs (50%), Worldvision Enterprises.

Tele-Communications Inc.

Tele-Communications Inc. was the nation's 33rd largest media company in 1982, with \$265.6 million in media revenues, or 94% of total revenues of \$282.6 million. Media revenues were \$167.7 million in 1981, or 93% of the total revenues of \$181.4 million.

Tele-Communications in 1982 continued its hyperactivity of the last two years. In that time, the publicly owned Denver-based cable tv and microwave common carrier nearly doubled its subscribers, doubled its revenues, and rose from third to first among the nation's largest multiple systems operators.

The company derives all media revenues from cable tv; the remaining 6% of revenues comes from microwave operations, which were up 24% to \$16.9 million from \$13.7 million in 1981.

According to TCI executive vp J.C. Sparkman, last year's major achievement was the "laying out of the new marketing concept," which will eventually include offering ad supported satellite program services and pay-service groups such as HBO and Showtime on all TCI's approximate 400 systems nationwide.

Part and parcel of the new plan is a technology the company calls "addressability," a

service that will enable TCI to change subscriber service levels electronically by satellite from its Denver-based computer.

The new concept will benefit subscribers as well as TCI. For example, any change in service that a subscriber wants can be made in "real time," that is, instantaneously, by calling an 800 or 900 number. It will save the subscriber time and make more pay-per-view choices available. Also, subscribers on some of the smaller systems will now have access to all the services as the "economies of scale" of making the addressable concept national allows the larger systems to shoulder the cost of converting some of the smaller operations.

And it will benefit TCI by shaving costs. With all systems electronically controlled from a central source, the cost of the individual service call vanishes.

TCI has also taken a strong stance when it comes to a program guide. No *TV-Cable Week* for TCI subscribers. The company has designed its own, "Cabletime," a monthly guide that will be available as part of the national program. It will eventually carry advertising.

TCI's national program service will benefit advertisers, too. National advertisers will be able to reach all of TCI's systems with a single spot. Before, single spots were limited to specific regions.

The program will take a while to complete. Launched last November in Parkersburg, W.Va., the schedule is for all of TCI's 400 systems to be "addressable" within three years.

And it is expensive. With each of the addressable converters costing \$100, the over-all cost will be enormous. In fact, TCI and New York-based General Instrument Corp. recently signed a contract in which TCI will spend \$100 million for addressable converters and other equipment that will enable subscribers to receive and send signals to TCI.

One of the benefits of the national program became apparent earlier this spring. TCI decided that the Disney Channel would be the first addressable service made available to subscribers. On April 19, instead of offering the service on a plant by plant basis, as had been done in the past, the service was instantaneously available to 165 cable plants, serving some 1.3 million basic cable subscribers. The difference, says Mr. Sparkman, between TCI's approach and other mso operations is the ability to reach so many so fast.

TCI's basic subscribers were up to 2.2 million by yearend, up 30% from the year before. Pay tv subscribers were up to 1.4 million, a 47% increase from 1981.

The new subscribers rode into the TCI cable corral on the back of new acquisitions that cost the company some \$99 million directly, and \$170.5 million through its joint venture operations.

Last year, to better manage its mushrooming cable household, the company reorganized its field operations by dividing its systems in 45 states into 11 geographic regions, each

supervised by a group manager.

Among TCI's 1982 acquisitions in the first quarter of the year were, through its TKR partnership, New Jersey-based Cross Country Cable, with 43,000 subscribers; and, through its TCI-Taft partnership, there were three new properties: Cape Cod Cablevision, with 29,000 subscribers in Massachusetts; Six Star, Pomona, Cal., with 36,000 subscribers and Key West, Fla., with 27,000.

In April, the Plains Cable Group was acquired, with 81,500 basic cable and 25,000 pay subscribers. And in July, TCI-Taft acquired another 8,000 subscribers in Michigan. This year has already been punctuated with some substantial plans for acquisitions, among them Liberty Communications in Eugene, Ore. Liberty operates six tv stations and cable systems in ten states, serving some 250,000 basic subscribers and 143,000 pay subscribers. The company had total revenues in 1982 of \$60 million, \$41 million coming from cable. Reportedly, the deal will be concluded this month or next, and will cost TCI some \$182 million.

And in March, an announcement was made that TCI and E.W. Scripps Co. will be forming a joint venture to acquire, develop and operate cable tv systems.

MEDIA PROPERTIES

Cable/video

ALABAMA: Birmingham, Cedar Bluff, Centre, Centre Point, Fairfield, Homewood (80% interest), Ohatchee, Piedmont. ARIZONA: Tucson suburbs. CALIFORNIA: Berkeley, Brisbane, Carson, Daly City (86.66% interest), Fremont (92% interest), Grass Valley, Hercules, Inglewood, Lake Wildwood, Millbrae, Oceanside, Pacifica, Penn Valley, Pomona, Redwood City, Richmond, Rio Vista, San Carlos, San Mateo, South Lake Tahoe, Sunnyvale Trails, Travis AFB. COLORADO: Alamosa, Boulder, Brush, Delta, Durango, Fort Morgan, Glenwood Springs, Golden, Jefferson County (southern portion), Lakewood, Leadville, Monte Vista, Montrose, Pueblo, Salida, Sterling. CONNECTICUT: Lakeville, Sharon. FLORIDA: Daytona Beach, Homestead AFB, Key Colony Beach, Key Largo, Key West, Little Torch Key, Marathon, Titusville. GEORGIA: Carrollton, Columbus. IDAHO: Burley, Preston. ILLINOIS: Alton, Beecher, Cahokia, Canton, Carbondale, Channahon, Chanute AFB, Chebanse, Chicago Heights, Coal City, Dixon, E. St. Louis, Herscher, Lockport, Manteno, Marion, Mattoon, Mokena, Morris, Peotone, Piper City, Utica. INDIANA: Alexandria, Attica, Bloomfield, Bloomington, Boonville, Carmel, Chanute, Delphi, Dublin, Elwood, Fairmont, Fowler, Franklin, Gary, Greenfield, Greencastle, Greensburg, Hartford City, Jasper, Lebanon, Linton, Martinsville, Monticello, Mount Vernon, New Castle, Princeton, Richmond, Salem, Sullivan, Tell City, Upland, Williamsport. KANSAS: Andover, Augusta, Bonner Springs, Caney, Cherry-

ville, Coffeyville, Derby (83% interest), Dodge City, El Dorado, Fredonia, Garden City, Gardner, Garnett, Goddard, Humboldt, Iola, Kansas City, Leavenworth, Newton, Ottawa, Rose Hill, Topeka, Yates Center. KENTUCKY: Barbourville, Bardstown, Campbellsville, Cumberland Valley, Dawson Springs, Elizabethtown, Fulton, Glasgow, Greenville, Henderson, Hodgenville, Horse Cave, Leitchfield, Pineville, Princeton, Providence, Winchester. MARYLAND: Cumberland, Elkton. MASSACHUSETTS: Cape Cod. MICHIGAN: Alpena, Battle Creek, Brighton, Cheboygan, Howell, Chesaning, Fremont, Gaylord, Lake Charlevoix, Lexington, Mackinaw City, Marlette, Montrose, Muskegon, Newberry City, Niles, Ontonagon, Petoskey, St. Ignace, St. Joseph, Ypsilanti. MINNESOTA: Albany, Albert Lea, Alexandria, Austin, Browerville, Browns Valley, Clarissa, Faribault, Glenwood, Long Prairie, Melrose, Moorhead, Osakis, Ortonville, Park Rapids, Sauk Centre, Sisseton, Staples, Wadena. MISSOURI: Belton, Cape Girardeau, Centralia, Clinton, Hannibal, Hazelwood, Hermann, Holts Summit, Jackson, Jefferson City, Knob Noster, Lee's Summit, Mexico, Moberly, Monroe City, Mountain Grove, Republic. MONTANA: Anaconda, Billings, Bozeman, Butte, Deer Lodge, Dillon, Glenview, Glendive (50% interest), Helena, Lewiston, Livingston, Miles City. NEBRASKA: Alliance, Broken Bow, Douglas County, Grand Island, Hastings, Kearney, Kimball, La Vista, Lexington, McCook, North Platte, Offutt AFB, Ogallala, O'Neal, Scottsbluff, Sidney. NEVADA: Battle Mountain, Carson City, Elko, Hawthorne, Lake Tahoe. NEW HAMPSHIRE: Hampton, Lebanon. NEW JERSEY: Beach Haven, Bound Brook, Elizabeth, Gloucester City, Metuchen, Sayreville, Warren. NEW MEXICO: Artesia, Carlsbad, Eunice, Hobbs, Jal. NEW YORK: Kingston, Poughkeepsie, Rhinebeck, Schenectady, Woodstock. NORTH CAROLINA: Elkin, Marion, Morganton, Mount Airy, Old Fort. NORTH DAKOTA: Grand Forks, Minot. OHIO: Adena, Barnesville, Belmont, Bethesda, Bridgeport, Brookside, Brunswick, Cadiz, Chester, Dillonvale, Duncan, East Liverpool, Enid, Fairpoint, Flushing, Golf Manor, Hamilton, Holloway, Hopedale, Irondale, Jewett, Lafferty, Mahoning, Marion, Martins Ferry, Marlow, Middletown, Mingo Junction, Moundsville, Shadyside, Steubenville, Warren, Wheeling Township. OKLAHOMA: Catoosa, Coweta, Duncan, Enid, Marlowe, Muskogee, Owasso, S. Coffeyville, Vance AFB. PENNSYLVANIA: Allegheny, Aliquippa, Ambridge, Baden, Carnegie, Castle Shannon, Chester, Clarion, Columbia, Cumberland, Darlington, Etna, Gettysburg, Glassport, Hopewell, Kane, McDonald, McKeesport, McKees Rocks, Midland, Monessen, Mount Wolf, Penn Hills Township, Quarryville, Red Lion, Ross, State College, Stowe, Towanda, York. SOUTH CAROLINA:

Bennettsville, Forest Acre, Fort Jackson. SOUTH DAKOTA: Ellsworth AFB, Milbank, Rapid City, Rosholt, Sisseton, Sioux Falls (50% interest), Wilmot. TENNESSEE: Bolivar, Covington, Garyville, Jacksboro, Knox County, Knoxville, La Follette, Lake City, Livingston, (44.5% interest), Manchester, Shelbyville, Soddy-Daisy. TEXAS: Albany, Bishop, Breckenridge, Clute, Corpus Christi, Clifton, DeLeon, Eastland, Freeport, Gorman, Huntsville, Mart, Mathis, Mineral Wells, Odessa, Olney, Ranger, Refugio, Robstown, West. UTAH: Duchesne, E. Carbon, Farmington, Grantsville, Jeremy Ranch, Nephi, Ogden, Park City, Price, Provo, Richmond, Roosevelt, Salt Lake City, Smithfield, S. Lake County, Sunnyside, West Valley. VERMONT: St. Albans. VIRGINIA: Culpepper, Orange. WASHINGTON: Anacortes, Bellingham, Bremerton, Burlington, Mt. Vernon, Olympia, Raymond. WEST VIRGINIA: Blair, Chester, Gassaway, Logan, Moundsville, New Cumberland, Parkersburg, Summersville, Wellsburg, Weston, Wheeling. WISCONSIN: Madison (33 1/3% interest), Richland Center, Rockland. WYOMING: Cody, Powell, Lander, Laramie, Riverton, Thermopolis, Worland. Also, Centre Video Corp., Western-Tele Communication, Community Telecommunications, TCI Growth, TCI Development Corp. [which consists of TCI-Taft Cablevision (50%-50% split), TKR Cable Co. (50%-50% split), Horizon Communications Corp. (91% interest), Athena Communications Corp. (81% interest)], Tennessee-Kentucky Cable TV Co. (50% owned by Athena).

OTHER OPERATIONS

Tele-Communications Inc. owns a 50% interest in Taft-TCI, which in turn holds interest in Black Entertainment TV. Also, it operates National Telefilm Associates (74% interest).

Thomson Newspapers Ltd.

Thomson Newspapers Ltd., Toronto, Ont., is the 37th largest media company in the country, with 1982 operating revenues of \$254.0 million from its newspaper properties in the U.S. These revenues comprise about 47% of the company's total revenues of \$539.8 million.

In 1981, Thomson's revenues from U.S. media operations were \$232.4, or 43% of total revenues of \$536.2 million. Media revenues increased 9.3%, while total revenues were up 3% in 1982.

Operating income from the U.S. division, based in Des Plaines, Ill., was \$97.2 million, up 7.8% from 1981, and was favorably affected by restructured financing arrangements that reduced U.S. income tax.

In 1982, Thomson purchased four daily newspapers in the U.S.: *Daily Mining Gazette* (Houghton, Mich.), *Griffin* (Ga.) *Daily News*, *Jacksonville* (Ill.) *Journal Courier* and *Whittier* (Cal.) *Daily News*. Early this year, it also purchased the

Waukesha (Wis.) Freeman. According to Audit Bureau of Circulations, the five papers have a combined daily average circulation of 81,964.

Thomson has stressed acquisition of newspaper properties in the U.S. because of what the company calls the large number of independently owned properties still available stateside. Another reason this policy may continue is that the federal government in Canada may make good its threat to limit group ownership of newspapers to no more than 20% of daily national newspaper circulation.

According to its shareholders report, the company has no intention—apart from its interest in Augusta Newsprint Co., Augusta, Ga.—“to diversify beyond the newspaper publishing business.”

In May, 1981, the company was charged under the Combined Investigation Act for alleged improprieties in its newspaper publishing operations in Montreal, Ottawa, Winnipeg and Vancouver. The trial is scheduled for September, and the company says “all charges will be vigorously defended.”

MEDIA PROPERTIES

Newspapers (dailies)

ALABAMA: *Dothan Eagle, Enterprise Ledger, Opelika-Auburn News*. ARIZONA: *Douglas Daily Dispatch*. ARKANSAS: *Northwest Arkansas Times* (Fayetteville). CALIFORNIA: *Antelope Valley Daily Ledger-Gazette* (Lancaster), *Barstow Desert Dispatch, Eureka Times-Standard, Oxnard Press-Courier, San Gabriel Valley Tribune* (West Covina), *Siskiyou Daily News* (Yreka), *Whittier Daily News*. CONNECTICUT: *Ansonia Evening Sentinel*. FLORIDA: *Clay Today* (Orange Park), *Jackson County Floridian* (Marianna), *Key West Citizen, Punta Gorda Daily Herald-News*. GEORGIA: *Cordele Dispatch, Dalton Daily Citizen-News, Griffin Daily News, Thomasville Times-Enterprise, Tifton Gazette, Valdosta Daily Times*. ILLINOIS: *Jacksonville Journal Courier, Mount Vernon Register-News*. INDIANA: *Kokomo Tribune, New Albany Tribune*. IOWA: *Council Bluffs Nonpareil, Oelwein Daily Register*. KANSAS: *Atchison Daily Globe, Leavenworth Times*. KENTUCKY: *Corbin Times-Tribune*. LOUISIANA: *Lafayette Daily Advertiser*. MARYLAND: *Salisbury Daily Times*. MASSACHUSETTS: *Fitchburg Daily Sentinel and Leominster Enterprise, Taunton Daily Gazette*. MICHIGAN: *Adrian Daily Telegram, Escanaba Daily Press, Houghton Daily Mining Gazette, Iron Mountain Daily News, Marquette Mining Journal*. MINNESOTA: *Albert Lea Evening Tribune, Austin Daily Herald*. MISSISSIPPI: *Laurel Leader-Call*. MISSOURI: *Cape Girardeau Southeast Missouriian, Carthage Press, Sikeston Daily Standard*. NEW HAMPSHIRE: *Portsmouth Herald*. NEW YORK: *Herkimer Evening Telegram, Newburgh Evening News, Oswego Palladium-Times*. NORTH CAROLINA: *Rocky Mount Evening Tele-*

gram. OHIO: *Canton Repository, Coshocton Tribune, East Liverpool Evening Review, Greenville Daily Advocate, Lancaster Eagle-Gazette, Marion Star, Middletown Journal, Newark Advocate, Piqua Daily Call, Portsmouth Times, Salem News, Steubenville Herald-Star, Xenia Daily Gazette, Zanesville Times Recorder*. OKLAHOMA: *Ada Daily News*. PENNSYLVANIA: *Connellsville Daily Courier, Greenville Record-Argus* (Kittanning), *Hanover Evening Sun, Kittanning Leader-Times, Lock Haven Express, Meadville Tribune, Monessen Valley Independent*. SOUTH CAROLINA: *Florence Morning News*. SOUTH DAKOTA: *Mitchell Daily Republic*. VIRGINIA: *Petersburg Progress-Index*. WEST VIRGINIA: *Fairmont Times-West Virginian, Weirton Daily Times*. WISCONSIN: *Fond du Lac Reporter, Manitowoc Herald-Times Reporter, Waukesha Freeman*.

Newspapers (nondailies)

ALABAMA: *Phenix Citizen*. FLORIDA: *Englewood Herald*. ILLINOIS: *McLeansboro Times-Leader*. INDIANA: *Howard County News*. OHIO: *Greentown-Franklin Chronicle*. PENNSYLVANIA: *Midland News*.

Time Inc.

Time Inc., New York, is the country's third largest media company, with \$1.83 billion in revenues from media operations, a 21% increase from 1982. Media operations—made up of the company's extensive magazine and video holdings—represented 51% of Time Inc.'s total 1982 revenues of \$3.56 billion, a sum 8% higher than \$3.30 billion in 1981.

Magazines contributed \$941 million in 1982 revenues, followed by video with \$864 million and Pioneer Press, a chain of weekly newspapers, with an estimated \$25 million. Operating income was \$105 million for magazines and \$166 million for video. Income figures for Pioneer Press are not broken out by Time.

Other income in 1982 came from Time Inc.'s book publishing operations, a variety of smaller enterprises and its large forest products division.

Just last month, Time Inc. announced it would spin off its forest products business to devote its energies to publishing and video operations. Forest products in 1982 accounted for nearly \$1.2 billion of the company's consolidated revenues.

If 1982 was a recession year, it would be hard to tell from the performance at Time Inc. All its existing magazines had a robust year, the video group continued to show impressive growth, and the company expanded further in both areas.

One of the 60-year-old company's more daring moves last year was to launch *TV-Cable Week*, a \$100-million gamble to capture the cable viewing audience in the country.

This competitor to *TV Guide* and a plethora of cable guides may end up as the company's largest—and most profitable—magazine by the end of the dec-

ade, or it may end up flopping as the logistics of trying to provide a distinct magazine for the hundreds of cable systems around the country prove unworkable. Time Inc. executives acknowledge that the magazine may not be profitable for as many as five years. The weekly magazine made its debut in April with five cable systems signed up as charter subscribers.

Expansion came to other Time Inc. publications as well, as the company developed *Fortune International*, an overseas spinoff of that every-other-week publication.

Last year Time again led all magazines measured by the Publishers Information Bureau (PIB), with 1982 ad revenues of \$256.4 million, a 1% increase over 1981. That gain came despite an ad page decline of 9%, to 2,641 pages from 2,903. Ad revenue gains at five of the company's other six magazines were even more impressive: *Sports Illustrated* up 6% to \$162.9 million, *People* up 17% to \$159.4 million, *Fortune* up 8% to \$76.2 million, *Money* up 45% to \$32.9 million and *Discover* up 81% to \$9.6 million. Life revenues were flat at \$23.2 million. Circulation revenues also grew last year, and will probably continue to do so. All seven magazines will have raised subscription prices by the end of the year.

For the company, 1982 was a watershed year, as the video group for the first time contributed more to the company's operating profit than did publishing holdings; it now accounts for almost half of Time Inc.'s operating profit.

Home Box Office, now in its 10th year of operation, continues to be the country's dominant pay-tv service. During 1982, the number of HBO subscribers grew to 11.5 million. Cinemax, a companion service to HBO, doubled its subscriber count to 2 million in 1982 and planned in 1983 to revamp its service to broaden its appeal even further. HBO also went beyond its longtime practice of purchasing popular Hollywood movies to develop its own programming ventures, such as pay-tv movies and such series as “Fraggle Rock” and “Not Necessarily the News.”

An even bigger move last year by HBO was its decision to join Columbia Pictures and CBS Inc. into creating a motion picture company that they hope would grow into one of Hollywood's major studios. The studio, which has been named Nova, will be equally owned and financed by the three partners, but will be managed independently.

American Television & Communications, which operates cable tv systems in more than 400 municipalities in 33 states, increased its basic cable subscribers to 2.1 million in 1982 and its pay-tv subscribers to 1.9 million, making it the largest such multiple system operator in the country. While growth in this area in the past has chiefly come by winning new franchises in large markets, ATC in 1982 decided instead to concentrate on developing a “cluster” strategy that involves acquiring existing cable systems contiguous

to its current holdings.

In other video areas at Time Inc., teletext continues to be a major development program, with market tests being conducted in Orlando, Fla., and San Diego. This year will be devoted to testing teletext's content, consumer appeal and potential as an advertising medium.

The one disappointing note in the company's video group—and practically the company's whole media operations—was the dismal performance of subscription tv (stv). Stv is plagued by high fixed initial costs.

None of Time Inc.'s three stv stations in Dallas, Cleveland and Boston broke even last year. The Dallas operation was sold to Golden West STV in September.

The company also sold off its lone broadcast tv station in 1982, WOTV in Grand Rapids, Mich., to LIN Broadcasting for \$32 million.

MEDIA PROPERTIES

Cable/video

Cinemax, Home Box Office, USA Cable Network (33% interest). Also, American Television & Communications Corp., serving ALABAMA: Birmingham (87% interest). ARKANSAS: El Dorado, West Memphis. CALIFORNIA: Arvin, Canyon County, Lamont, Morago, Orange, Rancho Bernardo, San Diego, San Marino (80% interest), South Pasadena, Tehachapi. COLORADO: Canon City, Colorado Springs, Littleton, Highland Ranch, Thornton. CONNECTICUT: Torrington (97% interest). FLORIDA: Cocoa/Melbourne, Jacksonville, Kissimmee, Orlando, Ormond Beach, Perry. GEORGIA: Savannah. HAWAII: Honolulu (84% interest). ILLINOIS: Champaign-Urbana (80% interest). INDIANA: Indianapolis (80% interest), Marion, Terre Haute. IOWA: Council Bluffs (50% interest), Fort Madison, Iowa City (80% interest), Mount Pleasant, Muscatine. KANSAS: Chanute, Emporia, Independence, Neodesha, Parsons. KENTUCKY: Hartford/Beaver Dam, Madisonville, Mayfield, Murray. LOUISIANA: Monroe/West Monroe, Shreveport. MAINE: Portland, Sanford. MICHIGAN: Battle Creek (50% interest), Oscoda, Tawas. MINNESOTA: Mankato, Marshall, Montevideo. MISSISSIPPI: Jackson. MISSOURI: Boonville, Chillicothe, Kansas City (50% interest), Kennett, Marshall, Maryville, St. Louis County (unincorporated areas 80% interest and north area 80% interest). NEBRASKA: Columbus, Falls City. NEVADA: Fallon/Yerrington. NEW JERSEY: Salem. NEW YORK: Albany, Ithaca, Manhattan, Rochester, Webster. NORTH CAROLINA: Asheville, Burlington, Charlotte, Durham, Fayetteville/Dunn, Gastonia, Greensboro, High Point, Lumberton, Raleigh, Rockingham, Southern Pines (80% interest), Whiteville/Chadbourn. OHIO: Columbus, Delaware. OKLAHOMA: Blackwell, Cushing, Guymon, Midwest City (83% interest), Norman (80% interest), Stillwater (80% interest),

Woodward. OREGON: Baker, LaGrande, Union. PENNSYLVANIA: Erie (52.65% interest), Franklin, Levittown (80% interest), Reading, South Delaware Co. TENNESSEE: Henderson, Lexington, Memphis (44% interest), Milan, Savannah, Union City. TEXAS: Austin, Wichita Falls. VIRGINIA: Lynchburg, Richmond (40% interest). WEST VIRGINIA: Charleston. WISCONSIN: Appleton, Beloit, Eau Claire, Fond du Lac (50% interest), Two Rivers (40% interest), West Allis (49% interest). In addition, American Television & Communications owns multipoint distribution systems in Denver and Miami, and subscription tv services in Boston, Cleveland and Dallas.

Magazines

Discover, Fortune, Life, Money, People, Sports Illustrated, Time.

Newspapers

Pioneer Press, 28 nondaily newspapers serving suburban Chicago—*Citizen*, (serving Edison Park, Harwood Heights, Norridge, northwest Chicago, Norwood Park), *Deerfield Review, Des Plaines Highlander, Elm Leaves, Evanston Review, Forest Leaves, Franklin Park Herald, Franklin Park Journal, Glencoe News, Glenview Announcements, Herald* (Northlake, Leyden Township, Stone Park, Melrose Park), *Highland Park News, Lake Forest, Maywood Herald, Morton Grove Champion, Niles Spectator, Northbrook Star, Oak Leaves, Park Ridge Advocate, River Grove Messenger, Rosemont Progress, Schiller Park Independent, Skokie Review, Vernon Review, Weekend World* (Oak Park), *West Proviso Herald, Wilmette Life, Winnetka Talk*.

OTHER OPERATIONS

Book-of-the-Month Club, Inland Container Corp., Little, Brown, New York Graphic Society, Selling Areas-Marketing Inc., Temple Eastex, Time-Life Books.

Times Mirror Co.

Times Mirror Co., Los Angeles, is the country's sixth largest media company, with media operations accounting for \$1.49 billion, or 67% of total 1982 revenues of \$2.21 billion.

Media revenues rose 9% from last year's \$1.37 billion. Total revenues were up 3% from 1981.

Newspapers accounted for \$1.14 billion, broadcast for \$100 million, cable for \$125 million and magazines for \$123 million. Newspapers, which represent 48.1% of total company revenues, wound up with a 7% increase from 1981's \$1.07 billion level. Broadcast revenues increased 15% to \$100 million from the \$87 million reported in the previous year.

Times Mirror's overall performance, however, did not match that of 1981. Net income decreased 7% to \$140 million, attributed to declines in classified advertising linage at most of its seven daily newspapers and to unit-volume decreases in both the newsprint manufacturing and wood products components of its newsprint and forest prod-

ucts group, conditions it says were brought on by the recession.

Total ad lineage at Times Mirror newspapers finished 2% above 1981 figures, but classified lineage fell nearly 9% during the year. At the *Los Angeles Times*, longtime national leader in classified advertising, that category fell a staggering 23%.

To slow the decline, most of the newspapers started strong sales and promotional programs, and started "total market coverage" advertising vehicles to recoup advertising lost to community newspapers. Some, such as the *Los Angeles Times*, undertook a strict cost-cutting program, freezing hiring, cutting back certain weekly sections, and urging staff to curtail travel and entertainment expenses.

Times Mirror's efforts to improve the competitive stance of the *Dallas Times Herald* and the *Denver Post* were a further drain on newspaper profits during the year.

Dallas was the scene of an old-fashioned newspaper war between the *Times Herald* and the *Dallas Morning News*, which has dominated the morning market and big ad accounts geared to the upscale market. The *Times Herald* reoriented its editorial product to appeal to affluent, young families, adding a high-fashion section designed with that segment in mind; it opened 10 new news bureaus and added 40 more editorial employees.

The paper also started offering extensive advertising discounts—a ploy critics say reflects the level of desperation the *Times Herald* has reached.

Distribution costs at the *Denver Post* were high, because of its conversion from an afternoon to an all-day newspaper during the year. In addition, the company purchased a 42-acre tract of land in Denver for a new printing facility.

In February, 1983, Times Mirror sold the money-losing Orange Coast Publishing Co., publisher of *Orange Coast Daily Pilot*, for a reported \$8 million to an affiliate of Ingersoll Publications of Sharon, Conn.

By the fourth quarter, operating profit of the newspaper group, aided by lower newsprint prices, moved ahead of the prior year for the first time during the year.

Despite the recession, many Times Mirror newspapers achieved record circulation levels. The *Los Angeles Times* reached a daily circulation of 1,059,023; its Sunday circulation advanced to 1,321,885. Likewise, *Newsday* grew to 516,296 daily circulation; its Sunday circulation increased to 582,745.

While newspapers have traditionally been the core of Times Mirror's business, many observers believe the company is betting its future on electronics in the coming information age. During the year it strengthened its position in that field, with expansion in broadcast, cable tv and other new technologies.

Broadcast revenues increased 15% as operating profits reached \$49.4 million in 1982, up 21% from \$40.9 million in 1981. The company says it wants to

Who's on deck in the media ceo circle?

By John Revett

Don't place too many bets. Boardroom coups, long-shot winners and new talent from outside are definitely among the risks. But here are a few of what we might call "succession situations" among top media companies.

Gannett Co.: Black and white and read all over. That's the nation's biggest newspaper chain, the fifth largest media company, and the motif of chairman Allen Neuharth. He is said by insiders to be under heavy pressure to deliver with *USA Today*. It's a tremendous undertaking and could be the right idea at the right time. The company estimates the circulation at more than 1 million.

Mr. Neuharth has no shortage of enemies inside and outside Gannett. An executive at the Rochester, N.Y., headquarters was said to have been shown a *Savvy* photo of Mr. Neuharth in his black and white Washington office, outfitted in his customary black and white attire, including black cowboy boots. "At least the boots weren't white" was reportedly the man's reaction.

Others in the Gannett organization have objected to the presence of Neuharth's son, Dan, on the *USA Today* staff and recall that the chairman's former wife was on the payroll as a consultant.

But Mr. Neuharth appears to continue in control of Gannett with no serious challenge and the boots seem to be made for walking. If they stumble, the successor most often mentioned is board member Douglas McCorkindale. If succession

John Revett, a former ADVERTISING AGE senior editor, is working on his second novel in Phoenix, Ariz.

moves back to Rochester, the name heard is corporate news division chief John Heselden, described as a student of the Frank Gannett "home town" school of publishing.

American Broadcasting Cos. The largest U.S. media company, with interests ranging from the hard-nosed study of business at Chilton Research to soft-nosed news about cocaine at



Los Angeles magazine, has its cameras focused on the central arena for ABC and John Severino, president of ABC Television. Chairman Leonard H. Goldenson has not at this writing announced an intention of stepping aside. And Fred Pierce was just recently elevated to ABC president and chief executive officer. Mr. Severino has moved up rapidly from ABC-TV affiliate head in Los Angeles and vice-chairman Elton H. Rule is looking at retirement towards the end of this year. Mr. Severino would be the news. Unless, of course, the networks start playing musical chairs in the face of growing cable competition.

NBC (RCA Corp.): You'd guess he might want to be in the hills over Hollywood. But that's not the current word on NBC chairman Grant Tinker. There are a few people who've had enough of life in the Deal Capital of entertainment.

Speculation is that ex-newsman Robert Mulholland (president) is a refreshing associate

for Mr. Tinker and that the New York job has given him a chance to excel in new areas. None of this has stopped talk to the effect that Mr. Tinker is a programming creative type, and that that could create surprises. Mr. Mulholland?

CBS: President Thomas H. Wyman has to be regarded with respect in view of William Paley's departure without Mr.

Wyman's scalp.

Time Inc.: Made a careful, if not entirely unquestioned—but careful, very careful—transition from Andrew Heiskell to Ralph Davidson as chairman and J. Richard Munro as president. They're both in their mid-50s, "and the company wants continuity," a spokesman said.

Times Mirror Co.: Tom Johnson, head of the flagship *Los Angeles Times*, is running hard. In the tradition of that newspaper and the regime of Otis Chandler (who has evidently come back downtown from Malibu to resume full command), Mr. Johnson might begin taking life just the tiniest bit less seriously. There are two Chandler sons who might suddenly—you never know—stand up to be counted. And their father might like it.

S.I. Newhouse & Sons: Evidently the recession and fears about jobs continue. Top editorial employees at both the *Newark Star Ledger* and the *Cleveland Plain Dealer*, two major Newhouse properties, de-

clined comment of any sort on who might be in line to succeed Samuel Newhouse Jr.

It can be assumed that Christopher Newhouse, in his late 20s, will be able to pay his bills. Older son Donald runs the newspaper division and is said to more or less divide top management duties with S.I. Jr.

Washington Post Co.: When questioned, those who cover the *Post's* turf and keep an eye on it ask, "You mean, who's going to succeed Ben Bradlee?"

One can envision the longtime editor injecting his brand of wisdom into any decision on a successor to Katharine Graham, but no one is saying Mrs. Graham plans to do anything but continue as chairman. Her son Donald would appear to be next in line, but there also seems to be a sturdy link with Richard Simmons, who came from Dun & Bradstreet, and as president of the Washington Post Co. has made an impact. Do people who clear up odd situations, i.e., divesting the company of the Trenton newspaper and folding *Inside Sports*, make it to the very corporate top?

It has been noted that Mr. Simmons is more than a fireman. He has gotten the company into new cable sports networks and a Washington legislative tracking service.

Two major media companies that seem fairly set in their lines of succession—we don't swear this will be right tomorrow—are the **New York Times Co.** and **Hearst Corp.** You could add **Knight-Ridder Newspapers** to that list if you were daring. One item: Don't count out Los Angeles *Herald Examiner* president Frank Dale at Hearst. He has very nearly brought a newspaper back from the dead by giving it a heart transplant that *Herald* people swear is surviving the smog. **AN**

acquire additional tv stations in larger markets.

Times Mirror's cable operations had some difficulties, mostly because of the high costs associated with the growth of cable systems in several urban areas and due to the slowdown in growth of subscribers to basic and premium services. Cable tv revenues increased 21% to \$125 million, but operating profits declined 14% from \$23.2 million to \$20 million in 1982.

As a step toward eliminating viewer confusion about cable tv, Times Mirror Cable Television started Dimension Cable Television, a way of selling various cable services under one umbrella. Instead of buying Home Box Office and Showtime individually, for example, Times Mirror Cable subscribers are offered these and a number of other options under the Dimension name. It's available in the more than 300 communities served by the Times Mirror system.

Spotlight, a pay cable tv service owned by Times Mirror and four other cable operators, also

took steps to strengthen its competitive position. In September, Spotlight switched from a service offering movies and entertainment specials to an around-the-clock, satellite-delivered, all-movie, pay cable service. There are 735,000 Spotlight subscribers at present.

Times Mirror, the seventh largest cable company in the U.S., is also taking more steps to further its cable tv activity. In May, *Newsday* introduced a 24-hour, news, information and advertising service, "Newsday Channel," to 160,000 homes on Long Island.

MEDIA PROPERTIES

Broadcasting
TELEVISION: WVTM, Birmingham, Ala.; KTVI, St. Louis; WETM, Elmira; WSTM, Syracuse; WHTM, Harrisburg, Pa.; KTBC, Austin, and KDFW, Dallas.

Cable/video
Times Mirror Cable Television owns 62 cable properties, serving the following areas—AR: KANSAS: Jacksonville, North Little Rock. ARIZONA (All

50% owned, with American Cable Television): Bullhead City, Casa Grande, Chandler, Eloy, Fountain Hills, Heber, Lake Havasu, Nogales, Paradise Valley, Phoenix, Rio Verde, Superior, Tempe. CALIFORNIA: Escondido, Long Beach, Orange County, Palos Verdes, Perris, Victorville. CONNECTICUT: Hartford, Meriden. ILLINOIS: Springfield. INDIANA: Lafayette. KENTUCKY: Ashland, Hopkinsville, Louisville. MASSACHUSETTS: Amherst, Bradford, Brewster (95%), Brookline, Greenfield, Longmeadow, Palmer, Weymouth (90%). NEVADA: Las Vegas. NEW JERSEY: Point Pleasant Beach. NEW YORK: Riverhead. OHIO: Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan, Newark, Newcomerston, New Philadelphia/Urichville, Toronto, Waverly. PENNSYLVANIA: Beaver Falls, Glenolden/Darby, South Philadelphia, Upper Darby, Washington, Williamsport. RHODE ISLAND: Providence, West Warwick. TEXAS: Del Rio, Kerrville, Marlin, Mid-

land, Texarkana, Uvalde. WEST VIRGINIA: Weirton.

Magazines
Golf, Outdoor Life, Popular Science, Ski, Sporting News.

Newspapers
CALIFORNIA: *Los Angeles Times*. COLORADO: *Denver Post*. CONNECTICUT: *Greenwich Time, Hartford Courant, Stamford Advocate*. TEXAS: *Dallas Times Herald*. NEW YORK: *Newsday*.

OTHER OPERATIONS
Book publishing, electronic publishing, newsprint and forest products group.

Times Publishing Co.

Times Publishing Co., St. Petersburg, Fla., the 72nd largest media company in the U.S., had revenues estimated by ADVERTISING AGE at \$119.5 million in 1982, all from media operations.

Revenues increased by 8.6% from an estimated 1981 revenue of \$110.0 million.

Primary reasons for the increase were Florida's rapid growth in both population and high-technology industry, St. Petersburg's downtown renaissance and a "surging economy in the Tampa Bay area and along Florida's Gulf Coast," according to Eugene C. Patterson, president.

The privately held company cited continued increases in part-run and preprint advertising and constant growth in satellite areas for a 5% to 7% increase in circulation of the *St. Petersburg Times* to 249,826 daily and 313,529 Sunday.

The company's afternoon newspaper, *St. Petersburg Evening Independent*, finished 1982 with a circulation of 38,409, down 175 subscriptions from 1981—the second straight year of decreases since the company purchased the paper 20 years ago from Thomson Newspapers Ltd.

This drop is attributed to circulation area cutbacks initiated in 1981 and an increase in price, also started in 1981. Still, the *Independent* last year had the highest home delivery circulation in its history, according to managing editor Robert Stiff, and so far in 1983, circulation is leading 1982 by 9-10%.

Ad lineage was "flat" for 1982, according to Leo L. Kubiet, Times Publishing ad director, rising a modest 2% for the *Times*, to 81.4 million lines, and dropping for the *Independent* to 23.4 million. Ad lineage rates were increased by 8% in 1982.

Despite those modest figures, the *Times* continues to lead all U.S. newspapers in tourism and travel advertising, with more than 365,000 lines last year, according to Mr. Kubiet. During the peak tourist season last winter, the combined newspapers posted 16 new daily and Sunday circulation highs, topping 349,000 copies of the *Times* on one Sunday in February.

One significant change in format was the modification of the city-zone editions published twice weekly with the *Times*. Renamed the *Neighborhood Times* and rezoned into three editions, the editorial supplement was also retargeted to Monday and Thursday markets.

The results were dramatic in lineage, jumping from 7,500 lines in September, before the changeover, to 14,000 in October, the first month of the new format, and increasing to more than 22,000 lines in November and December.

Another major change for the Times Publishing Co. was the demise of its Sunday magazine, *The Floridian*.

"Congressional Quarterly," the Washington-based news and reference service covering Congress, national politics and the federal government, plans to add an electronic data service in 1983, the Washington Alert Service, which will give a daily update status report on congressional and Washington activities.

The company's statewide business magazine, *Florida Trend*, experienced a 10% increase in revenue in 1982, despite a 4% drop in ad pages. With a best-ever circulation of 35,000, the magazine plans a

25th anniversary issue in June as the "oldest regional business magazine in North America," said Andy Corty, general manager.

MEDIA PROPERTIES

Newspapers

FLORIDA: *St. Petersburg Times*, *St. Petersburg Evening Independent*.

Magazines

Florida Trend.

Other publications

Congressional Quarterly.

OTHER OPERATIONS

Modern Graphic Arts commercial printer.

Triangle Publications

Triangle Publications, Radnor, Pa., is the nation's 19th largest media company, with 1982 operating revenues estimated by ADVERTISING AGE at \$549.4 million, all from print media. The company's estimated operating revenues in 1981 were \$502.2 million.

The privately owned company, controlled by Walter Annenberg, derives all its revenues from the weekly *TV Guide*, monthly *Seventeen* and the *Daily Racing Form*.

TV Guide, now 30 years old, is the company's principal money maker, with estimated gross revenues of \$665.5 million last year, or about 92% of the company's total gross revenues of \$720 million, and up 4.5% from \$614 million in 1981.

Many magazine industry followers see 1983 as a watershed year for *TV Guide*, not so much for what it is doing but for what is happening with its competition: Namely, the emergence of Time Inc.'s *TV-Cable Week* as a possible threat to *TV Guide*'s longtime dominance of the national tv listings business.

The Time Inc. entry into the field in April won't have a significant effect on *TV Guide* this year, Triangle executives say. "I think we're going to have the best year we've ever had" in ad pages and ad revenues, said Eric G. Larson, *TV Guide* publisher. In the first quarter, the magazine carried 1,003 ad pages, up 3.2% from the same period in 1982, and had ad revenues of \$70.1 million, up 13% from the year earlier period.

TV Guide lost its No. 1 spot in ad revenues among all U.S. magazines to *Time* last year. By virtue of its large circulation—bringing an estimated \$424 million in gross revenues last year—it remains the industry leader in total revenues by a substantial margin over No. 2 *Time*.

Much of last year's revenue increase apparently stemmed from a 25% increase in the magazine's cover price in the fall of 1981, to 50 cents an issue from 40 cents. The magazine also has been testing a newstand price of 60 cents an issue in some markets. The price increase primarily contributed to a drop in circulation from 17.7 million at the end of 1981 to 17 million at the end of 1982. At the beginning of last year, the magazine lowered its guaranteed rate base to 17 million from 18.3 million.

The magazine's circulation was as high as 19.5 million in 1978, when *TV Guide* sold for 20 cents.

Last year's ad revenues were the most ever for the magazine, but they have been roughly flat for the last three years. Last year they rose 0.9% to \$241.5 million from \$239.3 million, which was in turn down from \$239.5 million in 1980. Ad pages last year increased 1.5% to 3,616 pages from 3,564 pages. The magazine's best year in ad pages was 1980, when it carried 3,747.

TV Guide executives believe *TV-Cable Week* will not easily pass *Time*'s 4.5 million circulation, as Time Inc. executives have suggested it might. *TV-Cable Week* is tailored to individual cable systems, rather than to broader geographical markets, as is *TV Guide*.

"It seems like they've got a difficult task," Mr. Larson said of Time Inc.'s cable publication. "They may very well succeed, but we're going to try to hang on to the readers we already have in those systems."

Merrill Panitt, editorial director, said *TV-Cable Week*'s handling of program listings and other editorial material contained no discomforting surprises for *TV Guide*. "I haven't learned much from it," he said.

TV Guide is experimenting with its own system-specific edition—selling to cable subscribers through the local cable system—in Buffalo, N.Y., and in two other markets. "We'd be remiss not to," Mr. Larson said, "but I can't say it'll become a major thrust for us."

According to a *TV Guide* survey of about 1 million renewing subscribers, 61% of those who renew have cable available to them and 47% are actually has cable. The magazine claims to be especially strong in its pay cable listings. More than 40% of its listings are devoted to cable tv.

Mr. Larson said his mission as the new publisher is "to [make *TV Guide*] grow enough each year to make people aware that the magazine is alive and a progressing thing. The business hates a loser."

The publisher said that *TV Guide*'s circulation is "showing some good life" and "may be up a couple hundred thousand in circulation this year." He attributed the increase to the improving economy, the magazine's editorial improvements and a new "franchise protection" promotion strategy, which emphasizes the magazine's local, network, basic and pay cable listings instead of each issue's main feature stories. The new ads began in February of this year.

Recent editorial changes include a new eight-page section called "Insider," consisting of gossip and brief items on tv programs and personalities. Mr. Panitt said the magazine also planned to add, this month, 3½ pages previewing what appear to be each week's best tv offerings, tailored to each of the 107 editions and an alphabetical listing of movies shown on pay-cable networks.

Adding such space is costly—*TV Guide* will spend about \$50 million on paper and ink this year; vs. \$5 million to \$6 million

five years ago—and the magazine in July will raise its advertising rates 9.8%, to \$85,000 for a four-color page, to offset some of the higher costs. *TV Guide* raised its rates by 7% last July.

Seventeen's ad pages dropped 2% last year to 1,302, but ad rate increases enabled ad revenues to rise 6.2% to \$23.8 million. Circulation in December was 1.52 million, up 2.9% from the previous December.

For the first quarter this year, *Seventeen*'s ad pages were down 8.6% to 247 while ad revenues were down 2.6% to \$4.8 million.

MEDIA PROPERTIES

Magazines

TV Guide, *Seventeen*.

Newspapers

Daily Racing Form.

Tribune Co.

Tribune Co., Chicago, is the nation's 10th largest media company, with media revenues of \$1.24 billion in 1982, or 87% of total operating revenues of 1.43 billion. Media revenues increased 6% from 1981's \$1.17 billion, when they represented 83% of total operating revenues of \$1.41 billion.

Newspapers accounted for \$1.04 billion in 1982, while radio, tv and cable operations accounted for \$205.0 million.

Net income was \$98.3 million compared with 1981's \$138 million, down 21%. This was attributed to the \$40 million loss in operating profit from the Canadian newspaper and forest operation, according to the company.

The newspaper group had operating profit of \$68.7 million, compared with \$66.7 million for 1981. The *Chicago Tribune* and *New York Daily News* saw earnings declines while the other newspaper operations had gains.

During the first quarter of this year the Tribune Co. recorded operating revenues of \$350.5 million, compared with 1982's first quarter of \$333.4 million. Net income doubled during the quarter to \$1.1 million, compared with \$468,000 for the same reporting period last year.

The media company has apparently survived the storm of 1981, a time that centered on the company's abortive attempts to sell off the *Daily News*. Ultimately, the *Tribune* brass backed away from that plan and decided to keep the beleaguered newspaper.

Throughout 1982 and this year, the closely-held company has been preparing for a public offering. Shareholders at the April annual meeting approved a series of amendments to the corporate charter thereby making way for this action. The offering is expected in late 1983 or early 1984, according to the company.

Going public had long been rumored throughout financial and publishing circles, but the first significant indication of that action came in August, 1982, when the board of directors informed stockholders it would no longer buy back shares as they became available, thereby reversing a traditional policy.

Tribune Co. has been closely

held for 125 years and is owned by an estimated 400 shareholders. A share of the Tribune Co. is valued at nearly \$70,000. The stock is expected to see a split of nearly 2,900-to-1 giving it an estimated \$25 to \$30 per share price.

By going public, the company assures shareholders a cash bonanza but also infuses the aged communications concern with some needed capital. Still uncertain is what Tribune Co. will do with the extra cash. Some of the money is expected to be targeted toward further acquisitions of broadcast properties and the repayment of debts stemming from the *Daily News*' \$75 million retrenchment program. In addition, the company paid out \$180 million to construction of the ultramodern "Freedom Center" printing plant in Chicago.

The construction of Freedom Center, the startup of a new offset printing facility in Orlando, Fla. and further capital improvements at the Canadian operation added up to an estimated \$400 million in capital expenditures.

Tribune Co. continues to make good its reborn commitment to the *Daily News* and says the revitalization program is operating on schedule. The company claims the paper, which for most of 1981 was on the brink of being sold or closed, will be profitable by the end of the year. The combination of job buy-outs, union concessions and sale of the *Daily News* building will make the paper profitable, according to the company. The 11 *Daily News* unions agreed to a series of concessions that totaled a \$50 million annual savings.

Tribune Co. is streamlining the *Daily News*' circulation methods by dispatching papers from three plants outside of the Manhattan area. Papers had been shipped from the *Daily News* building in midtown Manhattan and had serious trouble reaching commuters in the collar communities.

The *Chicago Tribune*'s circulation continued to erode. For six months ending in 1982, circulation was 756,877, compared with 770,798 for the previous reporting period. The dips come at a time when competitor *Chicago Sun-Times* has redesigned and developed a marketing plan to infiltrate the affluent suburban areas, long the *Tribune*'s stronghold.

Still, whatever threat the No. 2 paper was posing could be seriously tempered, in light of Field Enterprises' decision to sell the newspaper. *Sun-Times* officials say their game plan remains the same despite the possibility of a sale.

The *Tribune* implemented zoned advertising, which will be phased into the entire paper.

Additionally, the *Tribune* must marginally compete with *USA Today*, which entered the Windy City in March. Thus far the appearance of the national newspaper has not damaged the *Tribune*. Although the papers are competitors for the consumer's 25 cents, the Tribune Co. has made a deal to print the Gannett newspaper at its Freedom Center plant.

In central Florida the *Orlando Sentinel* continues to show circulation gains. In April the paper changed its name from the *Sentinel Star* to the *Orlando Sentinel*, a move designed to give the paper better name identification with the area it serves. The company also introduced *Bonus*, an advertising tabloid that is distributed in surrounding communities. Circulation during the first six months prior to March, 1982, of the *Orlando Sentinel* was 223,786, compared to 215,015 for the previous year.

The *Fort Lauderdale News* and *Sun-Sentinel* have completed the merger of its two staffs and raised ad rates, which helped to make the company profitable for 1982, says Tribune Co.

In the entertainment field, the broadcast holdings continue to yield profits while the investments in cable tv and the Chicago Cubs have yet to show black ink. "At the Movies," the Tribune Co.'s syndicated review show with Gene Siskel and Roger Ebert as hosts, proved popular with viewers and is now on 140 stations. The show will begin a second season in September. Operating revenues for the three groups increased 24% to \$206 million, and operating profits were \$25.5 million, a 6% decrease from 1981's totals.

Because of increases in advertising rates, Chicago's WGN-TV, New York's WPIX-TV and Denver's KWGN contributed to the rise in broadcast revenues.

The company will continue to search out broadcast properties. In April it acquired independent WGNO-TV, New Orleans, for an estimated \$21 million. The purchase is still awaiting FCC approval.

Tribune Co. expanded its position in cable tv via its subsidiary the Tribune Cable Communications, giving it full or partial ownership in 10 holdings. Tribune Cable was awarded franchises in Tampa, Fla.; Lakewood, Cal.; Springfield, Mass. (30% owned); Oakland, Cal. (50% owned); Owatonna, Minn. (50% owned) and Milwaukee, Ore. (50% owned).

It is currently vying for contracts in California, Maryland and Michigan.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KWGN, Denver; WGN, Chicago; WGNO, New Orleans; WPIX, New York. RADIO: KNGR (am) and WCTC (fm), Sacramento, Cal.; WICC (am), Bridgeport Conn.; WGN (am) Chicago; KDAL (am) Duluth, Minn.; WPIX (fm), New York.

Cable/video

Tribune Co. Cable, serving CALIFORNIA: Palmdale/Lancaster. LOUISIANA: Slidell. MARYLAND: Gaithersburg (88%). MICHIGAN: Houghton, Oakland County (50%). MINNESOTA: Glencoe, Owatonna (80%). NEW MEXICO: Albuquerque. NEW YORK: Glen Falls, Oneida, Fredonia. TENNESSEE: Jackson. FLORIDA: Tampa. MASSACHUSETTS: Springfield. OREGON: Milwaukee (80%).

Newspapers (dailies)

CALIFORNIA: *Daily News* (Van Nuys), *Escondido Times-*

Rivalry smolders in smalltown skirmish

By Edward Morris

Rival newspapers in Cookeville, Tenn., don't go at each other with bull-whips in the town square, but they do practice a kind of frontier journalism reminiscent of the fourth estate in its more venomous days.

Cookeville is a college and farming community lying along Interstate Hwy. 40 about 80 miles east of Nashville. With a population of only slightly more than 20,000, Cookeville has the distinction of being the smallest town in the U.S. to still have competing daily newspapers. The morning *Dispatch* is owned locally by the Williams family, while the afternoon *Herald-Citizen* is a part of the Austin, Tex.-based Walls Newspapers chain.

Management at the *Herald-Citizen* accuses the opposition of inflating its circulation figures, varying its ad rates and doing a generally bad job of presenting news. It also says that the *Dispatch* aims itself at the lowest denominator of readership and shirks its responsibilities as a corporate citizen.

Not surprisingly, the principals of the *Dispatch* scoff at these charges and, for their part, assert that the *Herald-Citizen* is a pawn of outside interests. They argue that the rival paper devotes too little space to local events and gives too little editorial support to new and expanding businesses in the area.

Beyond the claims and counterclaims, there's also a bare-knuckle quality to the competition for Cookeville's limited ad dollars.

"We have a superior product in every way," boasts Joe Albrecht, the lanky, easy-going publisher of the *Herald-Citizen*. "We have more circulation than they do—paid... But we are continually waging the battle to recoup ad accounts they take away from us because of their ability as salesmen." Fundamental to their sales pitch, he declares, are exaggerated circulation figures.

Mr. Albrecht, who has been publisher since 1976, admits it is common for his paper to lose a store's advertising account to the *Dispatch* any time the store gets a manager from out of town who is unfamiliar with both

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papers. Usually, he says, these straying accounts return. As a case in point, he cites the *Herald-Citizen's* loss of the Rose's discount store advertising for "three or four months." Now, he reports, the account is back.

"The only major accounts we haven't gone through this trauma with," Mr. Albrecht notes, "are J.C. Penney and Harvey's [a department store]."

The contentiousness extends to talk about numbers. In 1980, as a direct response to the *Dispatch's* circulation claims, the

newsman Bill Austin as her editorial point man. He is still with the company and now helps guide not only the *Dispatch* but also four Williams family weeklies in adjacent counties.

The statistics the *Dispatch* does provide come from a hodgepodge of sources. Some, on comparative circulation, date back to 1977. Although Pat Williams is no longer the newspaper's publisher—he is now a marketing adviser—one hand-out reads: "Pat Williams is the publisher of the *Dispatch*; he's the

tion of the news is that if two people are interested in something, it's news. That's why we like to run stories about people—or about the biggest cabbage head or whatever. Consequently, we may not be as sophisticated as some papers. We don't want to be. We just try to be decent."

"Pat talked us into doing a little more national news once," Mrs. Williams recalls, "and, my God, it like to ruin us."

There is no question that the *Dispatch* is a superior picture paper. A school event that might merit a paragraph in a large daily or a picture and caption in the *Herald-Citizen* could easily wind up as a two-page spread in the *Dispatch*.

The *Herald-Citizen* makes its bid for readership via a mix of news that is light on national and state stories and heavy on local ones. But it also has a variety of syndicated political commentaries and advice columns by top name writers, daily comic strips and an eight-page section of color comics on Sunday.

The *Herald-Citizen*, according to Mr. Albrecht, promotes itself most successfully through its own free-circulation shopper, *Plus*, which is published each Wednesday and mailed to non-subscribers in the home county and three surrounding counties. Total circulation to advertisers who buy both the *Plus* and *Herald-Citizen* amounts to "a little over 36,000," Mr. Albrecht says.

Neither paper is unionized. The *Herald-Citizen* prints every day but Saturday and the *Dispatch* every day except Monday and Saturday. Yearly subscriptions are \$18 for the *Dispatch* and \$36 for the *Herald-Citizen*.

As media saturated as Cookeville may be, Mrs. Williams says that newspaper brokers have "worried us to death to buy the *Dispatch*. In the last five years, we've been approached 30 or 40 times." She asserts that she would not sell under any circumstances.

Thus do the battle lines stay drawn.

"I'm opposed philosophically to the concept of negative selling," Mr. Albrecht proclaims, "but I couldn't see we had any other choice. We try to do it rather sparingly with advertisers because it does come across as sour grapes. It's one of those judgment calls. We found that when we don't do it, we get hurt—and when we do it, we get hurt less often."



Herald-Citizen went to Audit Bureau of Circulations-verified statistics. For the six month period ending March 31, 1983, ABC figures show the *Herald-Citizen* average daily circulation at 10,119 and its Sunday average at 10,156. The *Dispatch* gives its comparable—but undocumented—numbers at 12,000 and 13,000, respectively.

"Our people know we're not liars," says Mr. Albrecht's adversary, Osia Williams, the red-haired, chain-smoking matriarch of the *Dispatch* publishing clan. Mrs. Williams' energy level would shame a wolverine, and she regards her competition with olympian condescension: "We do not stoop to talk about our competitors," she says. "We don't have time. We're too busy hustling."

Nobody hustles like Osia (pronounced o-shuh) Williams and her minions. She started the *Dispatch* 20 years ago as a free-distribution weekly and turned it into a formidable opponent of a newspaper that had been a Cookeville institution since 1903. To make her paper go, she abandoned the dress shop she had owned and operated and, with the help of her then 19-year-old son, Pat, learned to write news stories, take and print pictures and sell ads at rates she could only guess were proper.

Three years into the venture, Mrs. Williams hired veteran

only publisher this newspaper has ever had. He's not subject to being replaced by someone shuffled in from somewhere else in some complicated corporate game of musical chairs."

But innuendo and name-calling are not the exclusive province of the *Dispatch*. Charles Denning, executive editor of the *Herald-Citizen* routinely refers to the competition as "Dog-patch" and self-serving handler of the news.

"Ever since they've converted to a morning paper," he says, "they've picked up off the wire those stories about big urban afternoon dailies that have failed and put them on page one—for readers here in Putnam County who've hardly even heard of those cities, much less of the newspapers."

Mr. Albrecht conjectures that the *Dispatch's* switch to morning distribution in June, 1979, hurt its circulation, because it failed to take into account the working-class nature of Cookeville: "We're a blue-collar community to a great degree. Our people go to work at seven or eight in the morning. In the evening is when they read the paper."

Pat Williams says the *Dispatch* has two marketing techniques: Presenting the news in a brief and easily readable form and using lots of graphics, especially color and pictures of children.

Adds Mr. Austin: "My concep-

Turner Broadcasting System

Turner Broadcasting System, Atlanta, is the nation's 61st largest media company with 1982 media revenues of \$146.3 million, 88% of total revenues of \$165.6 million. In 1981, it had media revenues of \$83.0 million, 87% of total revenues of \$95.1 million.

Advocate, Palo Alto Peninsula Times Tribune. FLORIDA: Fort Lauderdale News, Fort Lauderdale Sun-Sentinel, Orlando Sentinel. ILLINOIS: Chicago Tribune. NEW YORK: New York Daily News.

OTHER OPERATIONS

Chicago Cubs baseball team, Independent Network News, Tribune Entertainment Co., Tribune Syndicate, Ontario Paper Co., QNS Paper Co., Quebec & Ontario Transportation Co.

TBS wound up 1982 with profitable third and fourth quarters after budget trimming at Cable News Network and CNN Headline News, but the year in its entirety came in with a \$3.3 million net loss, a much improved decline from the \$13.4 million of red ink in 1981.

Sportsman-cable entrepreneur Ted Turner, who owns 86% of this mushrooming company, continued to keep the industry guessing with his on-again, off-again flirtations with

merger or co-venture partners.

There were discussions with all three of the conventional tv networks, ABC, CBS and NBC, about various combinations of business interests as the father of superstationing and 24-hour tv network news wondered if small independent companies could prosper after being battered by the impact of the galloping trend toward bigness.

WTBS, the world's first superstation, remains the foundation of the Turner empire.

Available in more than 25.8 million homes across 49 states, the Atlanta station marketed its classic movies, off-network reruns and sports adroitly enough to sponsors to gross \$96.6 million in ad revenues, a striking gain over the previous year's billings of \$55.3 million. The Turner sales troops pulled off this feat during an economic slump and a disappointing period for cable ad revenues. The station had a \$31.1 million profit.

Mr. Turner pleaded with Congress to stave off the copyright royalty increases that he said would threaten the future growth of WTBS. But even when operators were forced to pay copyright fee increases of up to 500%, WTBS, the most profitable advertiser-supported cable tv programming service, lost relatively little of its cable circulation.

Returns from the Turner sports franchises, the Atlanta baseball Braves and the basketball Hawks, 96% owned by Turner through a limited partnership, are excluded from this media breakout.

However, both deserve a share of the credit for WTBS' success with viewers and advertisers.

The rest of WTBS' media revenues came from CNN and CNN Headline News; news grossed \$49.7 million in 1982 and \$27.7 million in 1981 before the start up of the quickie news service. This includes ad revenues as well as income from cable operators who are charged a monthly per-home fee. As their contracts come up for renewal, many of the bigger multiple systems operators are insisting that they will no longer pay for networks from the satellites because there are so many free, advertiser-supported services available to them.

In 1982, Bonnie Cook, vp of J. C. Bradford & Co., an analyst who follows this company closely, estimated that CNN lost \$6.4 million and CNN Headline News lost \$10 million. She predicts that CNN I, available to 19.2 million households, will yield a profit of perhaps \$7 million, while losses at the newer service will remain the same, resulting in a net loss of \$3 million for the news operations in 1983.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WTBS, Atlanta; CNN TV.

RADIO: CNN Radio.

Cable/video

Cable News Network, CNN Headline News, Turner Program Services, WTBS superstation services.

OTHER PROPERTIES

Atlanta National League Baseball, owner of the Atlanta Braves baseball team and operator of farm clubs in Savannah, Ga., Anderson, S.C., and Richmond, Va.; Atlanta Hawks Ltd., owner of the Atlanta Hawks basketball team.

United Cable Television Corp.

United Cable Television Corp., Denver, the nation's 81st

largest media company, reported revenues of \$99.8 million and operating income of \$35.9 million in fiscal 1982, all in media.

The publicly held company continued its upward movement the first three quarters of fiscal 1983, which ended May 31, reporting \$110.8 million in revenues and \$33.4 million in operating income.

The company estimates year-end revenues to exceed \$150 million and operating income to top \$45 million.

United Cable increased its homes passed in 1982 to 825,000, compared with 752,820 in fiscal 1981. Company officials projected they would exceed 1 million homes passed in fiscal 1983. It currently has 1.6 million homes under franchise. By the end of its fiscal year, May 31, the company expected more than 570,000 subscribers and 34 fully operational franchises.

Most of the increase is attributable to the company's addition of new franchises including Alameda, Cal.; Hacienda Heights and South Whittier, Cal.; and Vernon, Conn. The company, in partnership with Tribune Cable, also has been granted franchises in Oakland County, Mich., and Montgomery County, Md. United Cable and the Tribune Co. also have been negotiating for a franchise in Sacramento, Cal.

United Cable is seeking other companies with which to form limited private partnerships to help finance the construction and initial operation of systems. It recently arranged to have TA & Associates provide \$10 million in equity to construct a system in Scottsdale, Ariz. The company has, however, ceased bidding for other new franchises.

United Cable also hopes to generate additional revenues by introducing small-scale advertising in some of its cable systems. The company's Tulsa, Okla., franchise (the only United Cable cable tv operation that takes advertising) was expected to have generated \$1 million in ad revenues as of May 31, 1983. United Cable's franchises outstanding, representing 204,300 homes and \$85 million in estimated construction costs, are East San Fernando Valley and West Covina, Cal., and Bloomfield Hills (suburban Detroit). The company also is in the process of building in the Denver suburbs as well as Scottsdale, where portions of the systems already are operating.

The company anticipates having 100,000 subscribers in suburban Denver and 43,500 subscribers in Scottsdale by the end of the calendar year.

There are lawsuits and appeals still outstanding in a challenge by local United Cable shareholders to the awarding of the Denver city franchise to Mile Hi Cablevision. United Cable has offered to buy back stock from local shareholders. Fred Vierra, president of United Cable, said there is no remote hope of getting the Denver franchise.

United Cable's tri-city stv operation, Home Entertainment Network, lost 27 cents a share or a total of about \$3 million in the

company's third quarter—the most for any single quarter so far.

The company has laid off employees and generally tightened stv operations in Cincinnati, Chicago and Minneapolis, which have a total of about 100,000 subscribers who pay an average \$24 per month. There are no plans to cutback on programming or the number of hours on the air.

However, Home Entertainment recently signed an agreement with Oak Industries to carry its satellite programming service to subscribers in Cincinnati and Minneapolis that began June 1.

MEDIA PROPERTIES

Cable/video

ARIZONA: Scottsdale. CALIFORNIA: Alameda, Cupertino and Foster City (both 95% interest), Hacienda Heights, Hayward (84% interest), San Leandro and San Lorenzo (both 84% interest). COLORADO: Denver suburbs (74.5% interest), Grand Junction. CONNECTICUT: Eastern Connecticut (80% interest), Plainville. DELAWARE: Fenwick Island. IDAHO: Boise. ILLINOIS: Carpentersville (80% interest), Effingham, Galesburg (50% interest), Mendota, Monmouth (50% interest), Peru. INDIANA: East Chicago and Hammond (both 80% interest). LOUISIANA: Bossier City. MARYLAND: Berlin/Ocean City, Montgomery County (50% interest). MICHIGAN: Downriver Complex (80% interest), East Lansing, Lincoln Park (80% interest), Meridian, Oakland County (50% interest). MINNESOTA: Chaska, Shakopee. NEBRASKA: Bellevue (50% interest), Tri-Cities (90% interest). NEW MEXICO: Gallup, Santa Fe. OKLAHOMA: Tulsa. TEXAS: Abilene, Anson, Hamlin, Jacksonville, Perryton, Rotan, Sweetwater, Tyler. UTAH: Moab. WYOMING: Casper. Also, STV—Home Entertainment Network: Cincinnati ON TV, Chicago Subscription Television SPECTRUM, Minnesota Pay TV Co. SPECTRUM.

U.S. News & World Report

U.S. News & World Report, Washington, which is celebrating its 50th anniversary this year, is the nation's 70th largest media company, with 1982 revenues from media properties estimated by ADVERTISING AGE of \$124.0 million, or 94% of total revenues of \$132.0 million.

In 1981, the company had estimated revenues of \$107.2 million, also 94% of \$114.0 million. Media revenues come from the flagship magazine, newsletters, radio programming and electronic publisher services.

Continued growth is anticipated for 1983, according to president James McIlhenny, who projects 1983 media revenues to approximate \$136.0 million out of total gross revenues of \$151.0 million.

Part of the reason for that anticipated growth lies in the company's venture into electronic

publisher services through its Publishers Services International (PSI), which Mr. McIlhenny says is "the fastest-growing portion of our business."

The subsidiary, formed in 1981, provides computer-based editorial services, such as transmission services and computer typesetting, to an increasing number of customers. PSI has sales commitments of more than \$10 million annually, and Mr. McIlhenny said it should expand its capabilities in 1984 into four-color transmission and increased satellite access.

He envisions the subsidiary comprising 35% of the corporation's revenues over the next five years.

According to the Publishers Information Bureau (PIB), U.S. News' total ad pages dropped 3% as the gross ad revenues increased 5% to \$83.8 million. The slight improvement in the overall economy seems to be helping the magazine so far this year. PIB reports U.S. News' ad pages up 2% and revenues up 11% for the first calendar quarter.

MEDIA PROPERTIES

Broadcasting

Parkway Communications (radio programming).

Magazines

U.S. News & World Report.

Newsletters

Washington Newsletter (weekly), Washington Business Report (monthly), news syndication service.

OTHER OPERATIONS

Book division, Publishers Service International (electronic publisher services).

Viacom International

Viacom International, New York, is the country's 41st largest media company, with media revenues of \$228.6 million, about 83% of total revenues of \$274.9 million. In 1981, its media revenues were \$164.5 million, about 78% of total revenues of \$210.4 million.

The cable-broadcast-entertainment company boosted its total revenues 31% in 1981, and earnings climbed 30% to \$24.5 million.

Defined as media businesses for the purpose of this analysis were the radio-tv station group and the multiple systems cable operation. Excluded are the expanding cable-tv-movie theater program distribution and production activities.

The growing broadcast group of three tv and eight radio stations forged ahead of cable as the family's largest revenue producer although the mso continued to lead in the earnings-from-operations column. Viacom's own stations, run as a group under the direction of Paul Hughes, chalked up their best year in revenues and profits, according to the annual report.

Revenues for WVIT-TV, New Britain/Hartford, Conn., and WNYT-TV, Albany, N.Y., and radio stations in Oakland, Chicago, New York, Memphis, Houston and Washington

climbed to \$115.7 million from \$83.5 million the previous year. Returns from Showtime, the country's No. 2 premium pay network, with 6 million subscribers, are reported as a part of broadcast services revenues. Earnings from operations for the broadcast segment were almost double the preceding year's at \$13.9 million.

At the last annual meeting, Viacom chairman Ralph Baruch, a onetime broadcast executive at CBS, promised the stockholders the company "will continue to pursue radio and tv properties for possible acquisition, where appropriate." The third tv station, KSLA-TV, Shreveport, La., was bought early in 1983 in a \$29.9 million stock swap.

The cable division, with John Goddard as president, reported revenues of \$112.8 million, compared to \$85.1 million in 1981. Its earnings from operations climbed nearly \$4 million to \$19.3 million.

The revenues came from fees from more than 600,000 basic and upwards of 470,000 premium pay cable subscribers in seven states.

A record for the most lavish list of program choices was set in Milwaukee's suburbs, where a 108-channel system went into operation. But the Milwaukee city council chose Warner Amex over Viacom to wire the inner city. Later Viacom launched a 120-channel system in Mountain View, Cal.

Viacom has not been as aggressive in battling for virgin franchise territory in heavily populated centers as Warner Amex, Cablevision and other rival msos. Viacom had been a leading contender to wire Multnomah County, Ore., but withdrew in late 1982.

However, Viacom has been in the forefront of selling cable time to advertisers and in developing two-way interactive systems to offer pay per view (ppv) schedules. Mr. Baruch predicts that ppv will be a \$5 billion business by the end of the decade.

A recent addition to the corporate chart is the Cable Health Network, an advertiser-supported 24-hour specialized service introduced last year on Satcom 3R. And just this month, Viacom and Hearst/ABC Video Services agreed in principle to merge services. The new service would be called Hearst/ABC-Viacom Entertainment Services. Viacom would own a third of the operation, and the number of subscribers would be boosted substantially, which could lead to having at least 15 million subscribers, the number most rating services require before taking audience measurements.

The nonmedia programming activities, all managed together under the entertainment group, include Viacom Enterprises and Viacom Productions. Viacom Enterprises claims the title of "the world's largest independent distributor of tv programming."

Viacom had owned 50% of Showtime with Telepromper. After Westinghouse Broadcasting Co. merged with Telepromper, Viacom bought the rest for \$75 million.

Steps are in motion to com-

bine Showtime and Warner Amex's Movie Channel into a joint venture capable of mounting a serious challenge to the dominance of Time Inc.'s Home Box Office. If this is realized, Viacom's partners will be MCA-Universal, Paramount Pictures and Warner Amex.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WVIT, New Britain/Hartford, Conn; KSLA, Shreveport, La. (pending approval of stations' stockholders); WNYT, Albany, N.Y.

RADIO: KDIA (am), Oakland, Cal.; WMZQ (fm), Washington; WLAK (fm), Chicago; WKHK (fm), New York; WDIA (am) and WRVR (fm), Memphis, Tenn.; KIKK (am), Pasadena, Tex.; KIKK (fm), Houston, Tex.

Cable/video

CALIFORNIA: Diablo, Mountain View, North Bay, Viacom Cablevision, San Francisco (serving Biggs, Colusa, Gridley, Oroville, Paradise). **NEW YORK:** Suffolk County. **OHIO:** Cleveland, Dayton. **OREGON:** Salem. **TENNESSEE:** Nashville. **WASHINGTON:** Bellevue, Seattle, Snohomish. **WISCONSIN:** North Shore and southern suburbs of Milwaukee. In addition: Showtime, Cable Health Network (minority interest).

OTHER OPERATIONS

Viacom Enterprises and Viacom Productions, movie, tv, cable distribution and production, and Viacom World Wide.

Warner Communications

Warner Communications, New York, is the country's 50th largest media company, with media property revenues estimated by ADVERTISING AGE at \$183.8 million, or 5% of total revenues of \$3.98 billion in 1982. Warner had estimated media revenues of \$110.5 million in 1981, or 3% of total revenues of \$3.24 billion.

The worldwide communications and entertainment conglomerate drew media revenues from its 50% share in Warner Amex (a joint cable venture with American Express Co.) and from E.C. Publications ("Mad" magazine) and DC Comics in its publishing division.

Last year was *some* year for Warner Communications. Steven J. Ross, chairman and chief executive officer, speaking to shareholders, labeled it "disappointing." To wit:

- Some of Warner's executives were found guilty of embezzlement.
- Fourth-quarter earnings plummeted, as did the stock.
- Big money was lost in its Atari division, as the electronic games industry started to suffer the early stages of shakeout.
- After five years of trying to turn it around, the company sold off some of its Knickerbocker Toy company to Hasbro.

Other snags: Warner toyed with the idea of acquiring the United Artists Music Co. and Warner Bros.' pre-1950 film library from MGM/UA for an estimated \$95 million, but nego-

tiations were never consummated; it tried to sell 25% of Movie Channel shares to Universal Studios and Paramount Pictures, but those dealings didn't work out either; it planned a test last fall of its proposed new shopping service, Shop America, but it has been shelved until the end of 1983; last summer the corporation was faced with a suit as a result of an accident that killed actor Vic Morrow and two children on the location of the "Twilight Zone" feature film.

The litany continues: News broke out that American Express was unhappy and was looking for a third partner in the company's Warner-Amex venture—talk that American Express and Warner denied. It tinkered with the idea of buying Madison Fund, but when its stock plunged, it abandoned that idea.

Then last November in the criminal trial of Warner's assistant treasurer, Solomon Weiss, a federal prosecutor linked chairman/ceo Mr. Ross to a secret cash fund allegedly created in connection with Warner's purchase of stock in the now-defunct Westchester Premier Theatre in Tarrytown, N.Y. Mr. Ross denied any wrongdoing. Mr. Weiss was found guilty. Earlier, Jay Emmett, onetime officer of Warner's three-man president's office, pleaded guilty to charges he took cash bribes in return for inducing Warner to buy the theater stock. Leonard Horowitz, who worked at Warner as a sales executive after working as an officer of Westchester Premier, was convicted of stock fraud and obstruction of justice as a result of his participation in the dealings. Later, all three Warner ex-officials received suspended sentences. All in all, the year 1982 is unquestionably one Warner Communications would just as soon forget.

It had its brighter moments, however. Last June, Warner announced a deal between its Atari unit and Lucasfilm (as in "Star Wars," "Raiders of the Lost Ark") to make videogames and other home entertainment products. The company also signed a three-year contract with CBS Theatrical Films to distribute the films produced by the CBS division.

Warner continues to operate on the basic strategy that "presumes that consumers around the world will continue to devote a substantial, and in many cases a growing, portion of their income to 'entertainment,'" said Mr. Ross.

Even with all its problems, Warner came out ahead for the year. Net income of \$258 million was up 14% over the net rung up in 1981. Revenues also increased from \$3.2 billion to \$4 billion. Both income and revenues hit new alltime highs.

The joint venture, which consists of Warner Amex Cable Communications and Warner Amex Satellite Entertainment Co., produced total revenues of \$307.6 million, an impressive 74% gain over 1981. However, the division also suffered a net loss of \$46.6 million, a loss attributed to "substantial costs as-

sociated with the simultaneous building and development of a number of new Warner Amex cable systems and the marketing of new WASEC cable programming services," according to the company.

WASEC, which ranks as the largest supplier of programming for cable tv, is expected to go into the black in 1984. To help achieve that end, Warner brought in Drew Lewis, former Secretary of Transportation, to be the new chairman-ceo of the joint venture, succeeding Gustave M. Hauser, 53, now a consultant to Warner Amex.

Despite its dip in the red, the company remains confident the "venture will become a major source of earnings to the company within a few years," Mr. Ross wrote. Bob Pittman, senior vp-programing at WASEC, predicted that by 1985 revenues from pay tv could "very well equal or surpass" revenues from theatrical film rentals. The company added 11 new franchises in 1982, bringing its total number of homes under franchise to more than 3.8 million. It added 291,000 basic subscribers and 460,000 pay subscriptions. It also made progress last year building QUBE systems in Chicago, Cincinnati, Dallas, Houston, Pittsburgh and suburban sections of St. Louis.

While it lost out in its bid for the contract in Sacramento, Cal., Warner Amex entered final contract negotiations with Milwaukee to build a 108-channel system covering 240,000 homes and is negotiating with New York franchises for sections of Queens and Brooklyn, with nearly 500,000 homes.

Last year Warner Amex created Home Sports Entertainment Channels in Dallas, Houston and Pittsburgh, signing long-term contracts for exclusive cable coverage of Houston Astros and Pittsburgh Pirates baseball games. Warner Amex Satellite Entertainment Co.'s The Movie Channel went out to 2.2 million subscribers in 1982, while the company sweetened the pie to cable operators, paying them \$10 a head for each new subscriber gained by affiliates who signed a five-year contract.

Warner's 24-hour station, MTV: Music Television, became available in an estimated 9 million cable homes, four times as many as the previous year. Nick-elodeon, WASEC's children's network, is now beaming out to more than 10 million households.

MEDIA PROPERTIES

Cable/video

Franchises of Warner Amex Cable Communications. **ARIZONA:** Flagstaff, Parker, Sedona. **ARKANSAS:** Booneville, Clarksville, Fayetteville, Paris, Russellville. **CALIFORNIA:** Avenal, Bakersfield, Barstow, Big Bear Lake, Blythe, Lake Arrowhead, Malibu, Palm Springs, Taft, Victorville and Wrightwood. **FLORIDA:** Crestview, Fort Walton Beach, Lake City, Niceville, Winter Haven. **GEORGIA:** Cedartown, Elberton, Homerville. **ILLINOIS:** Alton, Chicago (suburbs), Danville, DeKalb, Rochelle. IN-

DIANA: Union City. **IOWA:** Albia, Denison, Guthrie Center, Sac City. **KANSAS:** Hiawatha, Russell. **MAINE:** Island Falls, Patten. **MASSACHUSETTS:** Athol, Chelsea, Dalton, Everett, Lynn, Malden, Medford, Melrose, Peabody, Pittsfield, Salem, Somerville, Winthrop. **MINNESOTA:** Babbitt, Ely, Fergus Falls, Little Falls. **MISSISSIPPI:** Batesville, Cleveland, Houston, Lambert, Louisville, Marks, Pontotoc, Water Valley, Yazoo City. **MISSOURI:** St. Louis (suburbs). **NEBRASKA:** West Point. **NEW HAMPSHIRE:** Berlin, Claremont, Lancaster, Nashua. **NEW JERSEY:** Avalon. **NEW YORK:** Olean, New York City (some sections).

OHIO: Akron, Canton, Cincinnati, Columbus, Delphos, Fort Shawnee, Kenton, Norward, St. Mary's, Sidney, Wapakoneta. **OREGON:** Coos Bay, Hood River, Myrtle Point, Sandy. **PENNSYLVANIA:** Altoona, Bradford, Chambersburg, Clearfield, Marietta, Morrison Cove, Newport, Pittsburgh, Pottsville, Reedsville, Warren. **TENNESSEE:** Erwin, Greenville, Kingsport, Parsons, Waynesboro. **TEXAS:** Burnet, Crockett, Dallas, Dumas, Fairfield, Hico, Houston, Mexia, Navasota, Pecos, Rosebud, Stephenville. **VERMONT:** Bellows Falls, Brattleboro, Bristol. **VIRGINIA:** Hampton, Harrisonburg, Reston, Williamsburg. **WEST VIR-**

Media mighties Estimated net worth

From \$1 billion to \$2 billion

Newhouse family, New York

Samuel Jr., 55; Donald, 53
Five magazines, 21 newspapers, and more than 20 cable systems.

Cox family, Honolulu and Atlanta

Barbara Cox Anthony, 59; Ann Cox Chambers, 62
Own 97% of Cox Enterprises and 44% of Cox Broadcasting.

Hearst family, California

William R. Hearst, 75; Randolph Hearst, 67; David, 67; George Jr., 55; Phoebe Cook, 55
Control 14 daily newspapers, five tv stations, 20 magazines, seven radio stations, two book publishers, and large real estate holdings.

\$600 million to \$1 billion

Pritzker family, Chicago

A.N. (Abe) Pritzker, 57; Jay, 60; Robert, 56
Acquired *McCall's* for \$8 million in 1973, which represents less than 1% of their total net worth.

Annenberg family, Philadelphia and Palm Springs

Walter, 75
Owns all voting stock in Triangle Publications, including *TV Guide*, *Seventeen* and *Racing Form*.

Chandler family, Los Angeles

Ruth Crocker, 85; Dorothy Buffum Chandler, 81; Otis Chandler, 55
Own about 31% of Times Mirror Co., also vast real estate holdings.

\$300 million to \$600 million

E.W. Scripps family

Six grandchildren and 28 great grandchildren of Edward W. Scripps (1854-1926).
Control Scripps-Howard newspaper chain and own 75% of Scripps-Howard Broadcasting.

Jack Kent Cooke, 70, Virginia

Grandson and heir of Richard B. Mellon, owns small papers in Pennsylvania and California.

Pulitzer family, St. Louis

Descendants of Joseph Pulitzer share ownership of Pulitzer Publishing Co.

Cook-Cox family

Jane Bancroft Cook, 70; William Cox Jr., 51; Jane Cox McElree, 53
Descendants of Clarence Barron, early publisher of *The Wall Street Journal*. Still hold a third of Dow Jones & Co. stock.

Source: Dan Rottenberg, "The wealth of newsfolks," *The Quill*, December, 1982.

GINIA: Martinsburg. WISCONSIN: Marinette (80% interest), Marshfield, Menasha (80% interest), Merrill, Neenah (80% interest), Oshkosh (80% interest). Also, joint venture partner in Warner Amex Satellite Entertainment Co., which supplies and distributes two advertiser-supported services, Nickelodeon and MTV: Music Television, and one pay service, The Movie Channel.

Other properties

DC Comics, "Mad" magazine, "Mad Specials."

OTHER OPERATIONS

Consumer electronics and toys, direct-response marketing, filmed entertainment, recorded music and music publishing.

Washington Post Co.

Washington Post Co., Washington, is the country's 13th largest media company, with 1982 media revenues of \$786.2 million, or 98% of a reported total \$801.4 million in operating revenue for the year. Media revenues for the publicly held company were up 6.3%, or \$46.7 million, from 1981's \$739.5 million (restated by AA).

With the sale in 1981 of two money-losing ventures, the *Trenton* (N.J.) *Times* newspaper and *Inside Sports* magazine, Post company balance sheets strengthened last year, and the trend continued through 1983's first quarter. Profitability has rebounded, and the company is building cash reserves just as new top management—brought aboard in 1981 and 1982—begins making its first investment moves to expand the company's role in "the information industry."

The company earned \$52.4 million last year, a 60% gain over 1981, when combined losses at the *Trenton* papers and *Inside Sports* were \$13 million. Over the year its stock price tripled, from about \$20 to \$60 a share. In 1983's first quarter, net income was 21% higher than the comparable 1982 performance.

The Post company said its 1982 operating revenue of \$801 million, including the \$14.6 million from sources other than advertising and circulation, was generated as follows: Newspaper publishing, including the *Everett* (Wash.) *Herald*, \$413.9 million, or 52%; magazines, \$279.2 million, or 35%, and broadcasting, \$107.7 million, or 13%.

Washington Post Co. president Richard D. Simmons, former vice-chairman of Dun & Bradstreet, has intrigued outside observers with his initial strategic moves: Pursuit of government licenses to operate new cellular radio mobile telephone services in 11 markets; acquisition of a small, Washington-oriented electronic "data base publisher," Legi-Slate, and the purchase of interests in two regional cable tv sports networks, SportsChannel Associates in the New York market and New England SportsChannel.

But these remain frills, albeit with interesting future pros-



Ten most highly paid directors of publicly held broadcasting companies in 1982

1. Walter Cronkite	CBS Inc.	Director	\$1,100,826
2. Ralph M. Baruch	Viacom International	Chairman, ceo	975,964
3. John W. Kluge	Metromedia Inc.	Chairman, ceo	973,562
4. Leonard H. Goldenson	American Broadcasting Cos.	Chairman	881,867
5. Terrence A. Elkes	Viacom International	President	818,236
6. Elton H. Rule	American Broadcasting Cos.	President	793,067
7. Thornton F. Bradshaw	RCA Corp.	Chairman, ceo	710,688
8. Frederick S. Pierce	American Broadcasting Cos.	Executive vp	708,000
9. Thomas H. Wyman	CBS Inc.	President	672,192
10. William S. Paley	CBS Inc.	Chairman	551,054

Source: Company proxy statements, 1982. Figures include cash and cash-equivalent compensation.

pects. The real sinew of the Post company remains the flagship *Washington Post*, *Newsweek* and the company's network-affiliated tv stations in Detroit, Miami, Hartford, Conn., and Jacksonville, Fla.

Company executives this spring predicted a "strong" 1983 for the *Washington Post*. The 1983 outlook for *Newsweek*, where ad pages, revenue and income were down in 1982, is "guarded optimism." Its Post-Newsweek unit, with four tv stations, should have an "excellent" 1983, the company said.

Mr. Simmons said the company is still interested in acquiring "major market" newspapers and tv stations, large magazines that are established and of "high quality" and well managed cable tv systems in large metropolitan areas. But prices have been "extremely high," Mr. Simmons has said, "and therefore generally cannot produce the returns on investment we require."

In its core businesses, the Post company has moved ahead with a daring redesign of *Newsweek*, engineered by new editor-in-chief William Broyles Jr., until last year the editor of *Texas Monthly* and *California* magazines. The new *Newsweek* is differentiating itself from category leader *Time* with more in-depth feature cover stories, tak-

ing space away from its traditional weekly digest of major news events.

The company is also actively pursuing growth through "product line extensions." Five issues of *Newsweek on Campus*, a new demographic issue of *Newsweek*, are planned for 1983. Equipped with special editorial, the edition has a paid circulation rate base of 400,000 with another 425,000 copies distributed as inserts in major college and university newspapers. *Newsweek Woman*, a monthly demographic edition introduced in 1980, and *Newsweek Executive Plus*, a 900,000-base circulation twice-monthly edition introduced last year, are other line extensions.

Instead of pushing its regular edition nationally, the *Washington Post* has been given the green light to launch its own "line extension" this fall: A weekly spinoff publication, the *Washington Post National Weekly Edition*. It is a tabloid compendium of the most important articles and essays on government, politics and the economy that appeared in the previous week's daily *Post*. Designed for an out-of-town audience, it will be primarily distributed through mail subscriptions. It has an initial circulation target of around 30,000.

An outstanding editorial success, the *Washington Post* continues to demonstrate its commercial power as well. The recession's bite showed up in a 1.5% decline in *Post* ad lineage in 1982, and lineage in 1983's first quarter slipped 6% below comparable 1982 figures. But ad rate hikes passed through in early 1982 and again in early 1983 more than offset the volume slip: *Post* ad revenues climbed 15.6% to \$304.7 million in 1982. Circulation revenue, reflecting in part the switch of *Star* readers to the *Post*, climbed 23% to \$88.5 million. Over-all revenues in the newspaper division have continued to climb. In the first quarter of 1983, revenues were up 6% over the comparable 1982 quarter—figures include the *Everett Herald*.

At *Newsweek*, circulation reached a record 3.01 million in 1982, but ad pages in the domestic edition fell to 2,846 from 3,106 in 1981; ad pages in the international edition fell to 2,546 from 2,614.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WFSB, Hartford, Conn.; WJXT, Jacksonville, and WPLG, Miami, Fla.; WDIV, Detroit.

Cable/video

SportsChannel Associates, New

York (50% owned); New England SportsChannel, Boston (25% owned).

Magazines

Newsweek, *Newsweek International*.

Newspapers

DISTRICT OF COLUMBIA: *Washington Post*. WASHINGTON: *Everett Herald*.

OTHER OPERATIONS

Legi-Slate (electronic data publishing), *Newsweek Books*, *Post-Newsweek Video*, *International Herald Tribune* (33% owned), Los Angeles Times-Washington Post News Service (50% owned), Washington Post Writers Group (features syndication), Bowater Mersey Paper Co. (49% owned), Bear Island Paper Co. (33% owned), Robinson Terminal Warehouse (newsprint warehousing, 97% owned).

Westinghouse Electric Corp.

Westinghouse Electric Corp., Pittsburgh, is the country's 16th largest media company, with revenues of \$663.0 million from its broadcasting and cable operations in 1982. Media represented 7% of total Westinghouse sales of \$9.75 billion.

In 1981 Westinghouse had media revenues of \$319.0 million or 3% of total Westinghouse Electric sales of \$9.37 billion. Media revenues more than doubled for the company, largely because of it includes Tele-Prompter's first full year of operation.

Westinghouse actions during the year fueled speculation that it may be backing away from the highly competitive market for pay-tv networks: It pulled out of Disney Channel, its scheduled joint pay tv venture with Walt Disney Productions; it sold its remaining half interest in Showtime, another pay-tv joint venture, for \$75 million to the previous half-partner Viacom International.

Daniel L. Ritchie, chairman and chief executive officer of Westinghouse Broadcasting and Cable, and Jonathan Hayes, president of Group W Satellite Communications, said the company still had a commitment to the programming side of cable tv.

Westinghouse executives indicated that they were uncertain that Disney's formula for its channel would work in the marketplace. Group W also appeared to be skeptical concerning Disney's plan to take over programming and marketing decisions for the Disney Channel. Mr. Ritchie said that in principle, Group W did not believe the Disney Channel should be dominated by the studio. "We were unwilling to invest the \$75 million to \$100 million we would have had to get it moving."

Group W also put Satellite News Channel II, scheduled to get off the ground this year, on hold because of the economy. SNC II was to feature a more in-depth treatment of the news as opposed to SNC I, which airs shorter stories.

A major management move took place when M. Christopher Derick, president and chief

operating officer of Group W Cable, resigned over what he called "philosophical differences." Mr. Derick was replaced by Burton B. Stanier, a senior vp, whose background is customer service and marketing.

MEDIA PROPERTIES

Broadcasting

TELEVISION: KPIX, San Francisco; WJZ, Baltimore; WBZ, Boston; WPCQ, Charlotte, N.C.; KYW, Philadelphia; KDKA, Pittsburgh. RADIO: JQY (fm), San Diego; KFWB (am), Los Angeles; KOSI (fm) Denver; WIND (am) Chicago; WOWO (am), Fort Wayne, Ind.; WBZ (am), Boston; WINS (am), New York; KYW (am), Philadelphia; KDKA (am) and WPNT (am, fm), Pittsburgh; KOAX (fm), Dallas; KODA (fm), Houston.

Cable/video

All designated Group W Cable unless otherwise indicated. ALABAMA: Dothan, Florence, Gadsden, Huntsville, Mobile, Tuscaloosa. ARIZONA: Prescott. CALIFORNIA: Brush Park, Buena Park, Camarillo, Fontana, Fort Bragg, Fullerton, Gardena, Kings Beach, Lompoc, Loma Linda, Los Angeles, Los Gatos, Milpitas, Newark, Newport Beach, Oakland (80% interest), Piedmont (80% interest), Reedley, San Bernardino, Santa Clara, Santa Cruz, Santa Maria, Seal Beach, Sierra Madre, Simi, Simi Valley, Tahoe, Torrance, Ukiah, Willits, Yucca Valley. COLORADO: Trinidad. CONNECTICUT: Danbury, Middletown. FLORIDA: Boca Raton, De Land, Haines City, Hillsborough County, Holly Hill, Lakeland, Manatee County, Marianna, New Port Richey, New Smyrna Beach, Palm Beach County, Panama City, Plantation, Quincy, St. Petersburg, Tallahassee, West Palm Beach, Winter Garden. GEORGIA: Dublin, Milledgeville, Swainsboro, Thomasville, Valdosta. HAWAII: Honolulu (50% interest). IDAHO: Lewiston, Pocatello. ILLINOIS: Galena, Rock Island. IOWA: Dubuque. KANSAS: Liberal. LOUISIANA: Baker/Zachary, Leesville, St. Bernard Parish. MAINE: Caribou. MASSACHUSETTS: Worcester (80% interest). MICHIGAN: Calumet, Dearborn, Escanaba, Iron Mountain, Ironwood, Sault Ste. Marie, Grosse Pointe, Wayne. MINNESOTA: Brainerd, Columbia Heights/Hilltop, Duluth, Rochester, Winona City. MISSOURI: Columbia, Cut Bank, St. Charles, St. Louis County, St. Louis Telecom. MONTANA: Great Falls, Kalispell, Missoula. NEVADA: Reno. NEW HAMPSHIRE: Keene. NEW JERSEY: Birdston, Bridgeton, Ocean City, Ramapo, Ventnor, Vineland, Wildewood. NEW MEXICO: Farmington, Lovington, Portales, Silver City, Tucuman. NEW YORK: Brockport, Elmira, Ilion, Islip, Jamestown, Mount Vernon, Newburgh, Manhattan, Oswego, Ramapo, Warwick. OHIO: Portsmouth, Ridgeville. OREGON: Coquille, Eugene, Portland. PENNSYLVANIA: Johnstown. SOUTH CAROLINA: Greenwood. TEXAS: Baytown, Commerce,

El Paso (74% interest), Galveston, Graham, Grapevine, Irving, Palestine. VIRGINIA: Richlands. WASHINGTON: Richland, Seattle, Tacoma, Walla Walla, Wenatchee. WEST VIRGINIA: Clarksburg, Fairmont, Morgantown. WISCONSIN: LaCrosse. WYOMING: Rawlins.

Wometco Enterprises

Wometco Enterprises, Miami, is the country's 59th largest media company, with revenues of \$155.5 million from media operations in 1982, or 32% of total revenues of \$493.4 million. Media revenues increased 27% from 1981 media revenues of \$122.7 million.

Broadcasting accounted for \$74.1 million in revenues, or 15% of total revenues, while cable and subscription tv combined for revenues of \$81.5 million, or 16.5% of total.

Net income rose 7% last year to \$26 million and, like total revenues, was the highest in Wometco's 58-year history. In addition to media operations, the publicly held company also operates soft drink bottling, vending and entertainment divisions.

Wometco confidently predicted a better year in 1983, particularly in broadcasting, with an improved advertising climate, according to Gerry Whaley, vp-public affairs. Wometco owns and operates six tv stations, including four vhf outlets.

The major portion of Wometco's cable tv activities are conducted by an 85%-owned subsidiary, Wometco Cable TV, which has in operation or under construction 46 cable systems in 155 franchised communities. It is the 22nd largest multiple system operator in the country, with 235,000 basic subscribers, a 17% increase over 1981.

Premium/pay-tv subscriptions rose 22% during the year, to 197,000, while homes passed climbed 17%, to 417,000. (These figures do not include the 6,000 subscribers served by Wometco Enterprises' system in Freeport, Bahamas.)

Cable holdings will receive particular emphasis in 1983, Mr. Whaley said.

Cable expansion efforts include a constant search to obtain new branches and the acquisition of other cable companies, Mr. Whaley said, as well as laying miles of new cable.

Also targeted for attention in 1983 is Wometco Home Theatre (WHT), a subscription television service providing over-the-air pay tv since 1977. By the end of 1982, WHT was still not showing a profit.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WTVJ, Miami/West Palm Beach, Fla.; WZZM, Grand Rapids, Mich.; WWHT, Newark, N.J.; WSNL, Smithtown, N.Y.; WLOS, Asheville, N.C./Greenville-Spartanburg, S.C.; KVOS, Bellingham, Wash. RADIO: WLOS (fm), Asheville, N.C./Greenville-Spartanburg, S.C.

Cable/video

ALABAMA: Wometco Cable

TV, (Daleville and Fort Rucker). GEORGIA: Alert Cable TV, (Ft. Benning); Cobb County Cable TV, (Mableton); Gwinnett Cable TV, (Snellville); Satellite Cable TV, (Kennesaw); Wometco Cable TV of Clayton County (Jonesboro), of Fayette County, of Fulton County (Hapeville), of Cobb County (Marietta), of Rockdale County (Conyers); Wometco Cable TV of Georgia, (Douglasville). LOUISIANA: Cable TV of Pointe Coupee, (New Road); Church Point Cable TV, (Church Point); Jeff Davis Cable TV, (Jennings); Lafourche Communications, (Thibodaux); River Parish Cable TV, (Vacherie); St. Landry Cable TV, (Opelousas); Cable TV of Acadia, (Eunice); St. Tammany Cablevision, (Slidell). MISSISSIPPI: Picayune Cablevision, (Picayune). NEW YORK: Ausable Communications, (Plattsburgh). NORTH CAROLINA: Alert Cable TV of Goldsboro, (Goldsboro); Alert Cable TV of North Carolina, (Carrboro, Cary, Cherry Point, Farmville, Garner, Guilford County, Reidsville/Stoneville, Selma, Garner, Guilford County, Wake Forest/Wendell); Alert Cable TV of Wilson, (Wilson). OKLAHOMA: Alert Cable TV of Oklahoma, (Pryor). SOUTH CAROLINA: Alert Cable TV of South Carolina, (Andrews, Georgetown, Lake City/Bishopville); Cable TV of Dorchester, (Summerville); Columbia Cable TV Co., Columbia, West Columbia; Williamsburg Cable TV, (Johnsontonville/Hemingway). GRAND BAHAMAS: Grand Bahama CATV, Freeport.

OTHER OPERATIONS

Citrus Tower; Coca-Cola bottling operations in southern U.S.; food vending franchises; Miami Seaquarium; mobile homes in Florida; motion picture theaters.

Worrell Newspapers

Worrell Newspapers, a privately owned company based in Charlottesville, Va., is the country's 99th largest media company, with 1982 revenues estimated by ADVERTISING AGE at \$67.4 million. All the company's holdings, which include three tv stations, are media properties.

Like most companies wrestling with the ups and downs of print, Worrell had mixed results in 1982. Revenues increased only about 7% for the properties Worrell had retained by the end of the year.

Over-all revenues were down from 1981's estimated \$84.0 million figure because of the sale of approximately 25% of its print properties to the New York Times Co.

Worrell last year also acquired three "county seat weeklies," papers serving local government centers.

Three other weeklies, with a combined circulation of 20,000, were sold: *York County Coast Star*, Kennebunk, Me.; *Banner Independent*, Booneville, Miss., and *Claiborne Progress*, New Tazewell, Tenn.

These eight dailies were sold: *Middlesboro* (Ky.) *Daily News*,

Corinth (Miss.) *Daily Corinthian*, *Florence Times/Tri-Cities* (Ala.) *Daily*, *Harlan* (Ky.) *Daily Enterprise*, *Madisonville* (Ky.) *Messenger*, *Lenoir* (N.C.) *News Topic*, *Dyersburg* (Tenn.) *State Gazette* and *Opelousas* (La.) *Daily World*.

Combined circulation for the divested dailies stands at 90,000. Largest daily sold was the *Florence Times/Tri-Cities Daily*, with a circulation of 29,000. All these properties now belong to the New York Times Co.

On the acquisition side of the ledger, Worrell bought three weeklies, all in Virginia, last year: *Orange County Review*, *Greene County Record* and *Madison County Eagle*.

MEDIA PROPERTIES

Broadcasting

TELEVISION: WIFR, Freeport, Ill.; WHS, Harrisonburg, Va.; WBNB, Charlotte Amalie, St. Thomas, Virgin Islands.

Newspapers (dailies)

COLORADO: *Sterling Journal-Advocate*. FLORIDA: *Broward Tribune*, *Jewish Journal* (both in Fort Lauderdale). ILLINOIS: *Olney Daily Mail*. INDIANA: *Greensburg Daily News*, *Rushville Republican*. NEW MEXICO: *Las Cruces Sun-News*. TEXAS: *San Marcos Daily Record*. VIRGINIA: *Charlottesville Daily Progress*, *Christianburg News Messenger*, *Culpeper Star-Exponent*, *Dumfries Potomac News*, *Lynchburg News*, *Suffolk News-Herald*.

Newspapers (nondailies)

FLORIDA: *Hi Riser*. INDIANA: *Batesville Herald Tribune*. NEBRASKA: *Sidney Telegraph*. NEW JERSEY: *Wildwood Gazette-Leader*. VIRGINIA: *Blacksburg Sun*, *Clinch Valley News*, *Greene County Record*, *Madison County Eagle*, *Orange County Review*, *Richlands News-Press*, *Rural Virginian* (Scottsville), *Smyth County News* (Marion). WEST VIRGINIA: *Princeton Times*.

Ziff Corp.

Ziff Corp., New York, is the country's 26th largest media company, with media property revenues estimated by ADVERTISING AGE at \$320.2 million in 1982. Media revenues in 1981 were estimated at \$300.0 million. Total revenues for Ziff, a privately held company, were not available.

Over the last decade, Ziff, which was known primarily for special-interest magazines, has vaulted onto unfamiliar turf—and lived to regret it. In 1982 the company sold its operations in two of those new areas, tv stations and Wharton Econometric Forecasting Associates.

Ziff's foray into database publishing was particularly disappointing. Wharton was to have been only the first in a long line of database, economic forecasting operations that would compete with the likes of Data Resources and Chase Econometrics, but the projects fell into relatively quick disarray. At first, William Ziff Jr., head of the company, reportedly threw himself into the database unit, hiring a new executive

cadre to staff the operations. However, various technological and related snafus ultimately sabotaged Wharton's ability to deliver data to its customers. An additional problem, other sources said, lay in Mr. Ziff's gradual waning of interest in the medium.

The big 1982 newsmaker in the Ziff stable was *Psychology Today*. For quite some time, rumors had been circulating that the magazine would be sold. Despite fairly adamant and consistent corporate denials—or at the very least hemming and hawing—the magazine was indeed sold this past February to the American Psychological Assn. in Washington. The move came only three months after Ziff had begun a major campaign to resuscitate the publication.

Not long thereafter, however, the American Psychological Assn.—a Washington-based group representing 55,000 psychologists in the U.S., Canada and abroad, and publisher of a number of journals—did acquire the magazine.

Last month, Ziff-Davis Publishing agreed to sell assets and subscription lists of *Camera Arts* to CBS Inc.

If what developed at Ziff-Davis' PC magazine the first week of June becomes a trend at the company, 1983 revenues will indeed hit the roof. PC, aimed at owners of IBM's personal computers, issued a 642-page magazine that broke the record for the largest monthly consumer magazine set in September, 1981, by *Vogue*. Of the page totals, 384 were ad pages (PC had only 357 ad pages in its issue this April). The issue weighed 2.8 pounds and was an inch thick. PC was founded in February 1982. It sells for \$2.95 and has a circulation of 130,000.

MEDIA PROPERTIES

Magazines

CONSUMER PUBLICATIONS: *Adventure Travel*, *Backpacker*, *Boating*, *Boat Owner's Buyer's Guide*, *Car & Driver*, *Car & Driver Buyer's Guide*, *Cycle*, *Cycle Buyer's Guide*, *Flying*, *Flying Annual & Pilot's Buying Guide*, *Modern Bride*, *Electronics*, *Communications Handbook*, *Electronic Experimenters Handbook*, *PC*, *Popular Photography*, *Photography Annual*, *Photography Directory & Buying Guide*, *Stereo Review*, *Stereo Directory & Buying Guide*, *Unique Homes*, *Yachting*. BUSINESS & TRADE PUBLICATIONS: *A/C Flyer*, *Aerospace Daily*, *Aviation Daily*, *Business & Commercial Aviation*, *Hotel & Travel Index*, *Meetings & Conventions*, *Official Hotel & Resort Guide*, *Official Meetings Facilities Guide*, *Photomethods*, *Skiing Trade News*, *Travel Weekly*, *Weekly of Business Aviation*, *World Aviation Directory*, *World Travel Directory*.

OTHER OPERATIONS

Barr Rosenberg & Associates, ComputerIntelligence Corp., Data Decisions, Data Sources, Information Access Corp., Management Contents, Strategic Information, University Communications, various real estate holdings.

Pet food annual sales

All dollar figures in millions

Brand	Manufacturer	1981	1982	Brand	Manufacturer	1981	1982
Canned dog food				Soft-dry dog food			
Alpo	Liggett Group	\$178.0	\$189.0	Tender Chunks	Quaker Oats	\$96.1	\$81.0
Kal Kan	Kal Kan	102.0	110.0	Kibbles 'N Bits	Quaker Oats	36.3	49.5
Mighty Dog	Carnation	73.0	80.0	Most & Chunky	Ralston Purina	35.0	24.0
Ken-L Ration	Quaker Oats	74.0	74.1	Jim Dandy Tender			
Cycle	General Foods	52.0	63.0	Most Chunks			
Friskies	Carnation	60.0	48.0	*Dinner Rounds	Jim Dandy	6.0	6.0
Skippy, Premium	C.H.B. Foods	19.0	23.6		Campbell	3.6	2.5
Recipe	Campbell	19.5	23.0				
Vets	C.H.B. Foods	19.0	19.1				
Cadillac	Cadillac	17.5	18.5				
Skippy, Dr. Ross	C.H.B. Foods	15.0	14.1				
MPS	Kal Kan	11.0	13.0				
Tender Chunks Dinners	Quaker Oats	24.0	12.3				
Blue Mountain	Associated Products	9.3	9.7				
Strongheart	Strongheart	10.0	8.0				
Thoro Fed	Kal Kan	3.0	5.0				
Laddie Boy	Laddie Pet Foods	4.5	5.0				
Twin Pet	Allied Foods	2.5	2.0				
All Others		96.7	102.6				
Total		\$790.0	\$820.0	Total		\$177.0	\$163.0
Dry dog food				Canned cat food			
Dog Chow	Ralston Purina	\$300.0	\$255.0	9-Lives	Heinz	\$205.0	\$233.0
Puppy Chow	Ralston Purina	140.0	155.0	Friskies Buffet	Carnation	135.0	151.0
Gravy Train	General Foods	92.0	113.0	Kal Kan	Kal Kan	116.0	138.0
Hi-Pro Dog Meal	Ralston Purina	85.0	86.0	Purina 100	Ralston Purina	57.0	65.0
Cycle	General Foods	76.0	80.0	Puss 'n Boots	Quaker Oats	24.9	25.3
Mealtime	Kal Kan	60.0	62.0	Friskies	Carnation	22.0	20.0
Come 'N Get It	Carnation	50.0	60.0	Bright Eyes	Carnation	17.0	16.0
Alpo	Liggett Group	53.0	58.0	Tabby	Lipton	8.0	7.0
Purina Blends	Ralston Purina	57.0	57.0	All Others		145.1	169.7
Chuck Wagon	Ralston Purina	60.0	54.0				
Hero	Ralston Purina	36.0	40.0	Total		\$730.0	\$825.0
Friskies Dinner & Cubes	Carnation	34.0	28.0				
Fit & Trim	Ralston Purina	19.0	22.0				
Mainstay	Ralston Purina	30.0	19.0				
Jim Dandy Chunk & Ration	Jim Dandy	12.0	14.0				
Alamo	Liggett Group	13.0	12.7				
Ken-L Ration Biskit & Meal	Quaker Oats	10.1	9.7				
Kasco	ConAgra	10.0	8.0				
Field & Farm	Ralston Purina	8.0	7.0				
How Wow	ConAgra	7.0	7.0				
Blue Mountain	Associated Products	5.6	5.0				
Gaines Meal	General Foods	4.0	3.0				
Strongheart	Strongheart	3.5	2.5				
Vets Nuggets	C.H.B. Foods	2.0	2.0				
Purina Dinner Mix	Ralston Purina	1.5	1.0				
All Others		409.3	449.1				
Total		\$1,521.0	\$1,610.0				
Moist dog food				Dry cat food			
Gainesburgers	General Foods	\$73.0	\$71.0	Cat Chow	Ralston Purina	\$150.0	\$155.0
Ken-L Ration Burgers	Quaker Oats	56.4	56.7	Meow Mix	Ralston Purina	84.0	95.0
Top Choice	General Foods	50.0	54.0	Friskies	Carnation	52.0	53.0
Ken-L Ration Special Cuts	Quaker Oats	31.5	30.4	Special Dinners	Ralston Purina	45.0	50.0
Prime Puppy Choice	General Foods	12.0	9.0	9-Lives	Heinz	42.0	38.0
Moist & Meaty	Benco	6.0	7.5	Crave	Kal Kan	15.0	38.0
Gaines Variety Complete	General Foods	27.0	7.0	Chef's Blend	Carnation	24.0	20.0
All Others		25.1	22.9	Kitten Chow	Ralston Purina	12.0	11.0
Total		\$281.0	\$258.5	Fish Ahoy	Carnation	15.0	10.0
Whole-biscuit snack dog food				All Others		85.0	115.0
Milk Bone Butcher Bones	Nabisco Brands	\$106.0	\$122.0	Total		\$524.0	\$585.0
Bonz	Ralston Purina	45.0	38.0				
Jerky Treats	Heinz	23.0	27.2				
Live-A-Snaps, Beef Char-O-							
Snaps, Chi-N-Snaps	Liggett Group	10.0	11.0				
Ken-L Ration Treats	Quaker Oats	5.4	5.3				
Say Cheese, People Crackers							
and Doggie Donuts	R.T. French's	3.5	3.9				
Recipe	Campbell	1.3	1.7				
Gaines Biscuits & Bits	General Foods	1.0	0.9				
All Others		18.8	40.9				
Total		\$214.0	\$250.0				
Moist cat food				Annual sales by type of product			
Tender Vittles	Ralston Purina	\$125.0	\$141.5	Brand	1981	1982	Change
9-Lives Square Meal	Heinz	30.0	27.0	Dry dog food	\$1,521.0	\$1,610.0	5.9%
Moist Meals	Quaker Oats	20.1	19.2	Canned dog food	790.0	820.0	3.8
Whisker Lickins	Ralston Purina	14.0	6.5	Moist dog food	281.0	258.5	(8.0)
Moist & Tender	Benco	0.3	1.0	Whole-biscuit snack dog food	214.0	250.0	16.8
All Others		0.7	14.8	Soft-dry dog food	177.0	163.0	(7.9)
Total		\$190.1	\$210.0	Total dog food	\$2,983.0	\$3,101.5	4.0
Market share by company				Canned cat food	\$730.0	\$825.0	13.0
Company	1981	Share	1982	Dry cat food	\$524.0	\$585.0	11.6
Ralston Purina	\$1,246.5	28.2%	\$1,282.0	Moist cat food	190.1	210.0	10.5
Carnation	482.0	10.9	486.0	Total cat food	\$1,444.1	\$1,620.0	12.2%
General Foods	387.0	8.7	400.9	Total dog and cat food	\$4,427.1	\$4,721.5	6.6%
Quaker Oats	380.9	8.6	363.5				
Liggett Group	254.0	5.7	270.7				
All others	1,676.7	37.9	1,918.4				
Total	\$4,427.1	100.0%	\$4,721.5				

Source: Lehman Brothers Kuhn Loeb Research

Pet foods up slightly

By JOHN C. MAXWELL JR.

The pet food industry moved up almost 7% in 1982 in dollars; however, the gain in units was much more modest.

Canned dog food increased nearly 4% in dollars and was down 2% to 3% in units. Dry dog food rose nearly 6% in dollars and 3% to 4% in units.

In the canned cat food area, dollar sales were up 13% with units up 2%. Moist dog food dropped 8% in dollar sales and was down 3% to 4% in units.

Dog snacks showed the best growth, with dollar sales up 17% and units up 7% to 8%.

Dry cat food was up over 11% in dollars and 5% in units, while moist cat food rose 10.5% in dollars and 2% in units.

It is interesting to note that all the major companies lost market share, with the biggest increase coming in the "all others" sector.

Generic brands continued as winners in the various areas, and generics now account for a meaningful portion of the market, particularly in dry dog food.

Mr. Maxwell is with Lehman Brothers Kuhn Loeb, New York.

Y&R's Perez and Kulok join FilmFair New York

NEW YORK—Manny Perez, the former Young & Rubicam producer-director whose credits include award-winning Hallmark, Dr. Pepper and Lincoln-Mercury TV spots, has moved to the FilmFair New York production house with another award-winning Y&R veteran, director Scott Kulok. Mr. Kulok worked at Scali, McCabe, Sloves and Wells, Rich, Greene before joining Y&R.

Tara McCarthy, previously a free lance producer, continues as the executive producer at the FilmFair studio here. The Studio City, Cal.-based production company opened its Manhattan operation 18 months ago with Ms. McCarthy. Linda Wolff, formerly head of sales at N. Lee Lacy, has joined FilmFair New York as a sales rep. FilmFair has other facilities in Chicago and London.

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Perks

(Continued from Page 3)

premiums, travel, children's education, deferred compensation plans, low-interest loans, substantial severance settlements and, of course, retirement plans.

According to the contracts worked out by attorneys and accountants, some advertising executives can live the good life long after they have turned in the key to the executive sauna.

Although Mr. Goldschmidt is the only president of the publicly held



C. Goldschmidt

shops pocketing his share of the profits, other agency chiefs do very well when all their benefits are added into the pot. For example, William Weithas, the 53-year-old chairman-chief executive officer of SSC&B, an Interpublic Group subsidiary, earns an annual salary of \$220,000. Directors' fees, commissions and bonuses increase that to \$337,717. Add to that \$103,264 in securities or property, insurance benefits or reimbursement and personal benefits. Then add another \$63,879 in what is termed "aggregate of contingent forms of remuneration." Total: \$504,860.

As head of SSC&B: Lintas Worldwide, Mr. Weithas maintains a home in London. Of that \$103,264 in securities or property, \$78,757 goes into housing in the U.K., transportation, schooling for his children, relocation costs and "amounts necessary to equalize United Kingdom cost-of-living and tax liability." The company maintains the Weithas residence in London and also pays the family's education and transportation bills between the U.S. and the U.K.

A member of the Interpublic board, Mr. Weithas holds 3,000 shares of Interpublic common stock, held under IPG's restricted stock plan. That stock is selling for \$57 a share (for a total investment of \$171,000). In a note on the \$63,879 in contingent forms of remuneration, the proxy report stated it includes "amortized costs of special retirement benefits payable to Mr. Weithas, approximately one-half of which is funded through a policy of insurance on Mr. Weithas' life having an annual premium of \$20,000."

If Mr. Weithas and SSC&B part

THOMAS HECK

NEW YORK—Thomas Heck, 58, who left Wells, Rich, Greene in May to join Ted Bates Advertising as executive creative director, died June 22 in New York Hospital after suffering a heart attack.

At WRG, Mr. Heck served for the past 10 years as a creative group head. He worked on Black Velvet Canadian whisky, "I Love New York," National Airlines, Benson & Hedges, Yardley and Procter & Gamble.

When Mr. Heck and Nancy Vaughn, another WRG senior creative exec, joined Bates (AA, May 2), their move was seen as an important part of Bates' effort to adjust its famous Unique Selling Proposition creative concept to a contemporary level.

During his advertising career, Mr. Heck served as an art director at Young & Rubicam and Marschalk Co., moved to McCann-Erickson as a senior art director, then in 1961 joined *Ladies' Home Journal* as an art director. After resigning over disagreements on editorial policy, Mr. Heck joined Johnstone Inc. and later joined the F. William Free agency as exec vp-creative director.

ways before June 30, 1987, for any reason other than his death, he will get deferred compensation at an annual rate of \$40,000 for the time he worked since July 1, 1982. If he is ousted or quits between July 1, 1987, and June 30, 1992, he will take a "special retirement benefit ranging from \$29,600 to \$65,120 a year, based on the year of termination," for 10 years following his leaving. If he stops working at SSC&B (or IPG) on or after July 1, 1992, ("with or without the consent of the company") he gets \$74,000 a year for a decade. If he should die while still employed by SSC&B, \$74,000 a year will be paid for 10 years to his beneficiaries.

If Thomas B. Adams, 63, is not elected chairman of Campbell-Ewald and a member of the finance board or Interpublic's board, he may continue to work at the agency at the same (\$265,000 a year) salary in a board-approved job or he can quit immediately and get "as liquidated damages, payments equivalent to his salary and such sum of money as would have been allocated to his account as a participant in Campbell-Ewald's profit sharing plan."

If Philip H. Geier Jr., 48, chairman of Interpublic, leaves or loses his job before his 55th birthday, he will get a deferred compensation of \$50,000 a year for each year he worked since Jan. 1, 1983, to the date of departure. If his employ-

nation of his fulltime employment as chief executive officer."

Carl Nichols, 59, chairman-chief executive officer, and Anthony Chevins, 61, president-chief operating officer of Cunningham & Walsh, another agency in the Mickelberry group, have agreements guaranteeing them annual salaries of no less than \$250,000 a year through the end of 1986.

When Barry Loughrane, 50, accepted Doyle Dane Bernbach's invitation to be president of the agency, president-chief executive officer of DDB/U.S., he had to sell his house in Los Angeles and relocate to New York. In a depressed housing market, this could be a problem. It wasn't. Part of the deal was for DDB to "guarantee him against any loss from the approximate current market value of \$300,000 on the sale of his house." He also took the job at an annual salary of \$230,000.

Joseph Daly, 64, chairman of DDB until September, will get a minimum of \$250,000 a year for the period ending Dec. 31, 1987. Nicolai von Dellingshausen, 50, president of DDB/Europe, has a contract that provides for a minimum annual salary of \$160,000 and an apartment in London. In 1982, DDB lent Roy Grace, 46, chairman-executive creative director, \$588,750 at an annual interest rate of 6%. The purpose of the loan was not reported.

Meyer benefits spark protest

NEW YORK—This shareholder had had enough. After reading through Grey Advertising's proxy statement, Rod Bate, a portfolio manager with Cranford Co., Ho-Ho-Kus, N.J., was outraged. He contained himself until last week, when he attended Grey's annual shareholder meeting here and voiced his objection to the \$1 million annual compensation package that goes to Grey chairman-president Edward H. Meyer.



E. Meyer

The chairman defended himself by pointing out that when he took the job, stock was selling for a paltry \$7 a share, a far cry from today's \$105 price.

Mr. Bate went on to criticize the so-called "golden parachute" agreements that are designed to soften the blow for top executives when things go wrong or their company is sold. And he was rather burned up by the cushiony pension plans afforded top-level management. "I don't mind a reasonable severance pay, but here they're setting people up for life," Mr. Bate said. According to the 1982 Grey proxy, "certain qualified executive officers of the executive vice-president level or senior will be entitled upon their retirement at or after age 60 to a lifetime supplemental pension of \$50,000 per year." In 1981, 13 Grey executives participated in that plan.

ment ends between his 55th and 60th birthdays (and he still is living), he will get a "special retirement benefit ranging from \$84,000 to \$112,800 per year" based on when the job ended for 10 years thereafter. And if he makes it to 60, IPG will pay him \$120,000 a year for 10 years following the termination of employment. If he dies while still employed, his beneficiaries will receive \$120,000 a year for a decade following his death.

Edward Meyer, 55, chairman of Grey Advertising and one of the more highly paid executives in the industry, has a contract that guarantees him a minimum of \$475,000 annually for his work as chief executive officer. If the job doesn't work out, he will leave with \$3 million "in consideration of his employment commitment and in recognition of his valuable services during his employment."

Grey also "defrags premiums on a \$500,000 limited payment ordinary life insurance policy" on Mr. Meyer. In addition, he gets pension payments equal to 35% of his highest annual salary, subject to cost-of-living increases. "Such pension payments will commence on Mr. Meyer's attainment of age 55 in the case of termination by the company other than the cause or termination by Mr. Meyer with good reason, or the later of Mr. Meyer's attainment of age 60 or the termi-

Stockholdings add substantially to the booty. James Marlas, chairman of Mickelberry Corp., holds 1.3 million shares of company stock, a nice chunk of change at \$10.75 a share. Mr. Goldschmidt owns 69,468 shares of Mickelberry. Tom Dillon, former chairman of BBDO, holds 332,500 shares, at an asked price of \$43.25 a share (as of June 8). BBDO's Bruce Crawford holds 40,000 shares of BBDO stock, while Raymond McGovern, secretary-general counsel of the agency, owns 29,000 shares. To induce DDB's Neil Austrian to extend his contract at the agency, he was given 120,000 phantom common stock units. DDB is selling for \$28.25, making Mr. Austrian's stock worth \$3.4 million. Grey's Mr. Meyer owns 96,148 shares of Grey stock, which at \$112 a share asked translates into an investment worth \$10.8 million.

Agencies also can help ease the hassle that comes with moving about. When JWT moved Denis Lanigan to New York from London, the company became guarantor on a \$402,400 bank loan to purchase a home in New York. It reimburses him for interest payments in excess of 7% on the principal amount of \$302,400 and for all interest payments with respect to \$100,000 of the principal. JWT also loaned Herbert Eames, chief financial officer, \$350,000 at an interest rate of 12.6% to buy a new home.

What top agency execs make

Executive	Salaries, bonuses, director fees	Insurance, personal benefits	Contingent forms of remuneration
BBDO International*			
Bruce Crawford president	\$556,250	\$4,950	\$45,475
Allen Rosenshine chairman-ceo	400,625	1,518	36,844
Willi Schalk exec vp and president, international group	434,940	5,342	15,000
Steve Kahler exec vp-finance & administration	361,737	1,293	32,344
Doyle Dane Bernbach*			
Neil Austrian president	329,423	36,116	209,913
Joseph R. Daly chairman-ceo	354,808	40,838	—
Nicolai von Dellingshausen president, DDB/Europe	204,410	12,529	—
Robert H. Levenson vice-chairman-creative	230,993	30,856	160,960
Robert Pfundstein exec vp-chief financial officer	238,349	29,428	110,199
Foot, Cone & Belding			
Norm Brown president-ceo	315,000	68,664	56,378
John O'Toole chairman	233,333	74,079	39,685
Robert Trump chairman-finance	230,000	94,866	55,354
David Ofner president, FCB/Midwest	195,000	48,548	39,596
Thomas F. Randolph president, FCB/West	190,067	35,854	33,545
Grey Advertising*			
Edward H. Meyer** chairman-ceo-president	625,000	14,660	21,089
Stephen K. Zimmerman exec vp-account services	215,000	—	68,799
Shirley Young exec vp-marketing planning and strategic development	210,000	3,525	72,628
Alan B. Fendrick exec vp-secretary and treasurer	205,000	—	63,051
Robert L. Humphreys** director, president, western division	192,500	3,262	25,130
Interpublic Group of Cos.*			
Thomas B. Adams chairman, Campbell-Ewald	373,005	24,004	37,500
Philip H. Geier Jr. chairman-ceo, IPG	490,275	13,747	61,200
Willard C. Mackey Jr. president-ceo, McCann-Erickson	334,758	13,664	15,300
J. Donald McNamara president, IPG	336,794	9,491	25,320
William V. Weithas chairman-ceo, SSC&B	337,717	103,264	63,879
Mickelberry Corp.*			
Anthony C. Chevins president, Cunningham & Walsh	381,000	25,046	not listed
Charles Goldschmidt chairman, Laurence, Charles & Free	830,710	13,650	—
James C. Marlas chairman, Mickelberry Corp.	220,000	10,296	—
Carl W. Nichols chairman-ceo, Cunningham & Walsh	381,000	25,046	—
Ogilvy & Mather*			
William E. Phillips chairman-ceo	291,799	43,215	161,300
Michael J. Ball vice-chairman	245,000	8,532	168,400
Kenneth Roman president	248,465	34,479	81,100
James Benson vice-chairman	248,502	39,102	—
William Weed chairman, Europe	215,405	33,314	81,100
JWT Group			
Hugh P. Connell exec vp-secretary	175,000	39,730	4,385
Herbert Eames Jr. exec vp-finance	200,000	5,937	—
Don Johnston chairman-ceo	350,000	58,884	69,796
Denis Lanigan vice-chairman	220,000	119,496	100,012
Loet A. Velmans chairman-president-ceo, Hill & Knowlton	292,500	53,014	—

*Includes security or property as well as insurance benefits or reimbursement, personal benefits (FCB calls it direct or indirect remuneration).

**No director fees paid.